HOUSE OF REPRESENTATIVES—*Tuesday, January 19, 1999*

The House met at 2 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We and all the generations before us have found assurance and strength in the Book of Psalms and so we are bold to pray: We give thanks to the Lord, for He is good, for His steadfast love endures forever. We give thanks to the God of gods, for His steadfast love endures forever. O let us give thanks to the Lord of lords, for His steadfast love endures forever.

We pray, gracious God, that You would lift our eyes and hearts and minds so that we would see Your steadfast love in all we do. And help us to translate that abiding grace so that we relate to other people with deeds of justice and with hearts of mercy. This is our earnest Prayer. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. GIBBONS led the Pledge of Allegiance as follows:

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

SWEARING IN OF MEMBERS-ELECT

The SPEAKER. Will the Members who were not sworn in on opening day kindly come to the well of the House and take the oath of office at this time.

Messrs. MOLLOHAN, HOYER, STARK and GALLEGLY appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office in which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are now Members of the 106th Congress.

SWEARING IN OF SERGEANT AT ARMS

The SPEAKER. Will the Sergeant at Arms come to the well of the House and take the oath of office at this time.

The Sergeant at Arms, Wilson Livingood, appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office of which you are about to enter. So help you God.

The SPEAKER. Congratulations.

COMMUNICATION FROM THE HONORABLE ELLEN SICKLES JAMES

The SPEAKER laid before the House the following communication from the Honorable Ellen Sickles James:

Martinez, CA, January 7, 1999.

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

DEAR MR. SPEAKER: On January 6, 1999 you designated me to administer the oath of office to Representative-elect George Miller of the Seventh District of the State of California under House Resolution 12, One Hundred Sixth Congress.

Under such designation, I have the honor to report that on January 7, 1999 at Martinez I administered the oath of office to Mr. Miller. Mr. Miller took the oath prescribed by 5 U.S.C. 3331. I have sent two copies of the oath, signed by Mr. Miller, to the Clerk of the House.

Sincerely,

Judge ELLEN SICKLES JAMES, Ret.

COMMUNICATION FROM THE HONORABLE MARC B. POCHÉ

The SPEAKER laid before the House the following communication from the Honorable Marc B. Poché:

COURT OF APPEAL,
San Francisco, CA, January 8, 1999.

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

DEAR MR. SPEAKER: On January 6, 1999, you designated me to administer the oath of office to Representative-elect Sam Farr of the Seventeenth District of the State of California under House Resolution 13, One Hundred Sixth Congress.

Under such designation, I have the honor to report that on January 8, 1999, at Carmel, California, I administered the oath of office to Mr. Farr. Mr. Farr took the oath prescribed by 5 U.S.C. section 3331. I have sent two copies of the oath, signed by Mr. Farr, to the Clerk of the House.

Sincerely,

MARC B. POCHÉ.

PERMISSION FOR MORNING HOUR DEBATES

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that on legislative days of Monday and Tuesday during the first session of the 106th Congress,

the House shall convene 90 minutes earlier than the time otherwise established by order of the House solely for the purpose of conducting ''morning-hour debate'' (except that on Tuesdays after May 4, 1999, the House shall convene for that purpose one hour earlier than the time otherwise established by order of the House);

the time for morning-hour debate shall be limited to 30 minutes allocated to each party (except that on Tuesdays after May 4, 1999, the time shall be limited to 25 minutes allocated to each party and may not continue beyond 10 minutes before the hour appointed for the resumption of the session of the House); and,

the form of proceeding to morning-hour debate shall be as follows:

the prayer by the Chaplain, the approval of the Journal, and the Pledge of Allegiance to the Flag shall be postponed until resumption of the session of the House;

initial and subsequent recognitions for debate shall alternate between the parties;

recognition shall be conferred by the Speaker only pursuant to lists submitted by the majority leader and the minority leader;

no Member may address the House for longer than 5 minutes (except the majority leader, the minority leader, or the minority whip); and

following morning-hour debate, the Chair shall declare a recess pursuant to clause 12 of rule I until the time appointed for the resumption of the session of the House.

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

There was no objection.

ADJOURNMENT OF THE HOUSE UNTIL TUESDAY, FEBRUARY 2, 1999

Mr. ARMEY. Mr. Speaker, I offer a privileged concurrent resolution (H.

Con. Res. 11) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 11

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Tuesday, January 19, 1999, it stand adjourned until 12:30 p.m. on Tuesday, February 2, 1999.

The concurrent resolution was agreed to.

A motion to reconsider was laid upon the table.

PERMISSION FOR SPEAKER TO ENTERTAIN MOTIONS TO SUSPEND RULES ON WEDNESDAY, FEBRUARY 3, 1999

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that it be in order at any time on Wednesday, February 3, 1999, for the Speaker to entertain motions that the House suspend the rules, provided that the Speaker or his designee consult with the minority leader or his designee on the designation of any matter for consideration pursuant to this request.

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

There was no objection.

REAPPOINTMENT OF MEMBERS TO THE HOUSE SELECT COMMITTEE ON U.S. NATIONAL SECURITY AND MILITARY/COMMERCIAL CONCERNS WITH THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER. Pursuant to the provisions of section 2(f) of House Resolution 5, 106th Congress, the Chair reappoints the following Members of the House to the Select Committee on U.S. National Security, Military/Commercial Concerns with the People's Republic of China:

Mr. COX of California, Chairman;
Mr. GOSS of Florida,
Mr. BEREUTER of Nebraska,
Mr. HANSEN of Utah,
Mr. WELDON of Pennsylvania,
Mr. DICKS of Washington,
Mr. SPRATT of South Carolina,
Ms. ROYBAL-ALLARD of California, and
Mr. SCOTT of Virginia.

CORRECTION OF NAMES OF COMMITTEES IN HOUSE RESOLUTION 7 AND VACATION OF ELECTION OF MEMBER TO PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that any references to the Committee on Government Reform and Oversight and the Committee on National Security in House Resolution 7 adopted on January 6, 1999, be changed to the Committee on Government Reform and the Committee on Armed Services, respectively, and that the election of Mr. Dixon of California to the Permanent Select Committee on Intelligence by the adoption of House Resolution 7 be vacated.

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

There was no objection.

APPOINTMENT OF MEMBERS TO BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of sections 5580 and 5581 of the revised statutes (20 U.S.C. 42–43), the Chair appoints the following Members of the House to the Board of Regents of the Smithsonian Institution:

Mr. REGULA of Ohio,
Mr. SAM JOHNSON of Texas.

APPOINTMENT OF MEMBERS DURING FIRST SESSION OF 106TH CONGRESS AS OFFICIAL ADVISERS TO THE UNITED STATES DELEGATIONS TO INTERNATIONAL CONFERENCES, MEETINGS, AND NEGOTIATION SESSIONS RELATING TO TRADE AGREEMENTS

The SPEAKER. Pursuant to the provisions of section 161(a) of the Trade Act of 1974 (19 U.S.C. 2211), the Chair appoints the following Members of the House to be accredited by the President as official advisers to the United States delegations to international conferences, meetings and negotiation sessions relating to trade agreements during the first session of the 106th Congress:

Mr. ARCHER of Texas,
Mr. CRANE of Illinois,
Mr. THOMAS of California,
Mr. RANGEL of New York, and
Mr. LEVIN of Michigan.

APPOINTMENT OF MEMBERS TO THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to the provisions of clause 11 of rule X and clause 11 of rule I, the Chair appoints the following Members of the House to the Permanent Select Committee on Intelligence:

Mr. LEWIS of California,
Mr. MCCOLLUM of Florida,
Mr. CASTLE of Delaware,
Mr. BOEHLERT of New York,
Mr. BASS of New Hampshire,
Mr. GIBBONS of Nevada,
Mr. LAHOOD of Illinois, and
Ms. WILSON of New Mexico.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The Speaker laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, January 19, 1999.

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

DEAR MR. SPEAKER: Under Clause 2(g) of Rule II of the Rules of the House of Representatives, I herewith designate Mr. Daniel F.C. Crowley, Deputy Clerk, to sign any and all papers and do all other acts for me under the name of the Clerk of the House which he would be authorized to do by virtue of this designation, except such as are provided by statute, in case of my temporary absence or disability.

This designation shall remain in effect for the 106th Congress or until modified by me.

With best wishes, I am
Sincerely,

JEFF TRANDAHL, *Clerk.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, January 8, 1999.

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

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on January 8, 1999 at 10:35 a.m.

that the Senate passed S. Res. 1
that the Senate passed S. Res. 2
that the Senate made two appointments:
Senate Legal Counsel
Deputy Senate Legal Counsel

With best wishes, I am
Sincerely,

JEFF TRANDAHL, *Clerk.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, January 15, 1999.

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

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on January 15, 1999 at 2:15 p.m.

that the Senate passed without amendment H. Con. Res. 1

With best wishes, I am
Sincerely,

JEFF TRANDAHL, *Clerk.*

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER laid before the House the following communication from the

Chairman of the Committee on Ways and Means:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, January 6, 1999.

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

DEAR MR. SPEAKER: I am forwarding to you the Committee's recommendations for certain designations required by law for the 106th Congress.

First, pursuant to Section 8002 of the Internal Revenue Code of 1986, the Committee designated the following members to serve on the Joint Committee on Taxation for the 106th Congress: Mr. Archer, Mr. Crane, Mr. Thomas, Mr. Rangel and Mr. Stark.

Second, pursuant to Section 161 of the Trade Act of 1974, the Committee recommended the following members to serve as official advisors for international conference meetings and negotiating sessions on trade agreements: Mr. Archer, Mr. Crane, Mr. Thomas, Mr. Rangel and Mr. Levin.

With best personal regards, I am

Sincerely,

BILL ARCHER, *Chairman.*

□ 1415

RESIGNATION AS MEMBER OF COMMITTEE ON GOVERNMENT REFORM

The SPEAKER laid before the House the following resignation as a member of the Committee on Government Reform:

CONGRESS OF UNITED STATES,
HOUSE OF REPRESENTATIVES,
January 7, 1999.

Hon. DENNIS J. HASTERT,
Speaker of the House, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I hereby respectfully request a leave of absence from the Committee on Government Reform, effective immediately. My request is made with the understanding that I will retain all seniority on the Committee.

If you have any questions regarding this request, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

CHRISTOPHER COX,
U.S. Representative.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

PROPOSED BILL FOR YUCCA MOUNTAIN, NEVADA, TEMPORARY NUCLEAR WASTE STORAGE FACILITY HAS DISASTROUS IMPACTS ON DISTRICTS

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

Mr. GIBBONS. Mr. Speaker, early on in the 106th session of Congress, in the first few weeks, we have already seen a disastrous bill introduced to establish a temporary nuclear waste storage facility in Nevada. Several problems, Mr. Speaker, become very evident when this legislation is examined.

First, it is moving nuclear waste from 109 reactor sites, which would traverse 43 States and endanger the lives of every person along these routes. Also, the geologic suitability of the site is in question. In the last 20 years there have been more than 621 earthquakes within a 50-mile radius of the proposed site.

The Congressional Budget Office estimates a central interim storage facility like this will cost $2.3 billion, seven times more expensive than expanding the current on-site storage at these power generating facilities.

The facts demonstrate some of the major problems associated with this bill: the safety of every American, and the fleecing of every taxpayer in this country. Educating the American people on issues as important as this should be every Member's responsibility, because they are the ones who will be held responsible for the devastating impacts on their districts.

FURBYS CITED AS THREAT TO U.S. NATIONAL SECURITY

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

Mr. TRAFICANT. Mr. Speaker, the President is on trial, we are bombing Baghdad, Kosovo is in turmoil, and the American steel industry is literally being raped.

After all this, the National Security Agency has designated a new major threat to our Republic, the furby; that is right, this furby cyberpet, that stands 4 inches tall and sells for $30, has just been designated as the next great threat to our freedom.

Beam me up, Mr. Speaker. Beam me up. I say, the only threat these furbys really pose is they seem to appear to be much smarter than the bungling nincompoops at the National Security Agency. I recommend, for $30 a smack, here, that we hire furbys and fire those bureaucrats. Think about that one. Furby this, James Bond.

LET WORKERS OWN THEIR PORTION OF THE SOCIAL SECURITY FUND INVESTMENT IN THE STOCK MARKET

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

Mr. SMITH of Michigan. Mr. Speaker, I rise to commend the President for his decision to tackle the social security issue in his tonight's State of the Union Address. I welcome his leadership on this critical issue, and I look forward to his proposal that I hope is complete and that can be scored by the Social Security Administration actuaries in a way that will keep social security solvent.

I am encouraged that the President has recognized the power of the capital markets to increase the return on social security taxes, and that he specifically is suggesting investments in the stock market. I urge the President to let workers own these investments themselves, rather than have government use and spend these revenues, as they have the social security trust fund.

The Supreme Court has ruled that there is no relation between the taxes that a worker pays and what the worker is entitled to receive in benefits when they retire. This means that worker-owned accounts are the only way to make sure workers benefit from these investments, rather than government.

EDUCATION: SPEND MONEY IN THE CLASSROOMS, NOT ON BUREAUCRACY

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

Mr. ROYCE. Mr. Speaker, nothing is more important to Americans than the education of their children. Schools are one of the prides of our local communities, and we must do all that we can do to strengthen them. It is parents and it is teachers that know what is best for our children, and they are the ones that we must empower.

The Dollars to the Classroom Act signals a dramatic shift in how Federal education dollars are delivered to our Nation's schools. In today's system, too many precious education dollars get lost in the bureaucracy, in the red tape. This money must be spent in the classrooms, not on more bureaucracy. That is why the Dollars to the Classroom Act is so important. It represents what our schools should be, schools where parents and local school districts decide what is the best way to teach their children, not Washington.

This legislation requires that 95 percent of Federal funds be spent in the classrooms. This is one of our Republican education proposals. Currently only 65 percent of funds actually reach classrooms for our children. They are spent here in the bureaucracy.

Our children are our future leaders. It is strong moves like these that will improve our local schools, and improve the quality of life for every American. I urge support for the Dollars to the Classroom Act.

SPECIAL ORDERS

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

TRIBUTE TO THE TENNESSEE VOLUNTEERS FOOTBALL TEAM

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

Mr. DUNCAN. Mr. Speaker, I have often said that in my district, the colors orange and white are almost as patriotic as red, white, and blue. That is because orange and white represents the official colors of the University of Tennessee and the Tennessee Volunteers football team, now the undisputed NCAA national football champion.

Mr. Speaker, just a few short weeks ago the Tennessee Vols completed a perfect 13–0 season and earned their first national championship in 47 years.

Under the eye of the great coach Phillip Fulmer, the winningest active coach in the NCAA, who has now won about 85 percent of his games as the head coach, the Vols captured their second consecutive SEC championship. To top it all off, Coach Fulmer was named both the SEC and National Football Coach of the Year.

Many other people also have helped make this past season more memorable than ever. The Vols defense, led by defensive coordinator John Chavis, held 7 opponents to 14 points or less and 8 to under 100 yards rushing this season. The Vol defense ended the 1998 season ranked 6th nationally in rushing defense, and had one of the best overall defenses in the Nation.

The Vol offense, led by now departed offensive coordinator David Cutcliffe, who took the top spot at the University of Mississippi, powered through opponents all season long. The new offensive coordinator is not new to aggressive and successful play. Coach Randy Sanders, who took over the offensive reins during the Fiesta Bowl, was previously the quarterbacks and running backs coach at UT.

Coach Sanders' first game saw his offense perform exceptionally well against the tough Florida State defense. The Volunteer offense had a tremendous season indeed, averaging over 211 yards rushing per game, leading the SEC and ranking among the top nationally.

Mr. Speaker, who else could assemble such a great coaching talent and staff but the greatest athletic director in the Nation, Doug Dickey? Coach Dickey has had amazing success in his career at UT. As head football coach from 1964 through '69, Coach Dickey put the UT football program back on the map, winning two SEC championships and leading the Vols to high national rankings in several bowl game appearances.

For the last 13 years Coach Dickey has been a true leader in the field of college athletics, and has built the University of Tennessee into a sports powerhouse in the NCAA. Additionally, his efforts to build scholarship fundraising have led to an increase in UT's level of giving from $800,000 to more than $9 million annually to the athletic department.

Mr. Speaker, the people I have mentioned thus far have contributed a great amount to the success of the UT football program, but they alone could not have done it without a host of great Volunteer athletes. The Volunteer football squad achieved a perfect season last year, and joined the 1951 Volunteers as the only other national championship team in Tennessee football history.

The championship team was led by four captains, all of whom brought outstanding leadership and exciting action to the Volunteer team. All American linebacker and co-Captain Al Wilson was the emotional leader of the Vol defensive team, and perhaps in the biggest game of the season Al Wilson broke the single game individual ''caused fumble'' record in a match-up against Florida.

Co-Captain and placekicker Jeff Hall had an amazing season, earning the SEC all-time scoring record with 371 points in his career. He also had a game-winning field goal at the buzzer, to win the season opener against Syracuse. More importantly, Jeff hall was named an academic All-American and SEC player.

Co-Captain Shawn Bryson and Mercedes Hamilton helped the Vol offense dominate opponents throughout the season. Both players started every game, and provided much needed support to the offensive effort. Bryson, who started every game as fullback, rushed in one game for over 200 yards on 21 carries with four touchdowns.

Mercedes Hamilton, who started every game as offensive right guard, was a key blocker who helped lead the Vol offensive running game. Mr. Speaker, without a doubt, most quarterbacks would rather not have had to follow a player like Peyton Manning. However, Tee Martin, the fantastic leader of the Tennessee offense, rose to the challenge.

Under enormous pressure, Martin posted a tremendous season, completing an NCAA record 24 consecutive passes in a 2-game period against Alabama and South Carolina.

His favorite receiver, Peerless Price, was another Vol who certainly lived unto his name Peerless. He led the Vols with 61 catches for over 900 yards in 1998, and finished his career ranked third on UT's all-time list for receptions and receiving yards, and also had a 100-yard kickoff return against Alabama.

Mr. Speaker, there were many key players and others that made this season a very special one for the Vols. As I said before, the Fiesta Bowl gave the Vols their second national title in 47 years.

The 1951 Volunteers, led by the Great Coach, General Robert Neyland, was the last Tennessee team to win the National championship. Some of the greatest names in Tennessee football history came from that very team. Names like: Jim Haslam, Col. Gene Moeller, Gordon Polofsky, Bill "Moose" Barbish, Herky Payne, Tex Davis, Boomer Boring, Any Myers, Pat Shires, Doug Atkins, Andy Kozar, Bob Davis, Bill Addonizio, John Michels, and Don Bordinger all shaped the history of Tennessee football and put the volunteers on the map of NCAA football powerhouses.

I know that the players of the 1951 team are extremely proud of the players and coaches of the 1998 Volunteers.

Finally Mr. Speaker, this year brought an end to the most outstanding college football radio show in the history of the game. The "Voice of the Vols" John Ward and his partner Bill Anderson stepped down after the Fiesta Bowl on January 4th. For over 30 years, Ward and Anderson have given Tennessee football fans around the world chill bumps, calling every game with a heartfelt passion that is second to none in college football. The two are the longest-running broadcast pair in Division 1–A college football.

Mr. Speaker, I congratulate the newly crowned NCAA National Champion Tennessee Volunteers and everyone who has contributed to their perfect season. Go Vols!

THE SURPLUS AND SOCIAL SECURITY

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

Mr. SMITH of Michigan. Mr. Speaker, reports today indicate that the Office of Management and Budget is estimating that there will be a $4.5 trillion surplus over the next 15 years. I think that is a tribute to the efforts of this Chamber, of the Senate, and of the President to work at reducing the expenditures of the Federal Government.

It is also a tribute to the tremendous market-oriented system of free enterprise that we have in this country, where business has decided to expand and offer more job opportunities which has resulted in a lower unemployment rate in this country.

I am particularly interested that reports show that the President is suggesting that $2.8 trillion be dedicated to social security. The question over the next several months is whether or not the President is willing to offer this Congress a proposal that can be scored by the Social Security Administration and their actuaries as keeping social security solvent.

It has been all too easy in the past for politicians in the House of Representatives and in the Senate and the President to tweak at the fringes while indicating that we have to save social security. The fact that there have been surpluses coming in from the social security tax indicates that American

workers are being overtaxed for social security benefits and contributions to the theoretical trust fund. I say ''theoretical trust fund'' because it really does not exist.

When it becomes time sometime in the area between 2007 and 2013 that there are less revenues coming in from social security taxes than is needed to pay benefits, the Federal Government has three choices: We can borrow more from the public, we can reduce existing expenditures to come up with the additional money needed to pay benefits, or we can increase taxes on workers.

□ 1430

In the past, many times when there is shortage of money, we have simply increased the tax on American workers. Since 1971, Mr. Speaker, taxes, social security taxes, on working Americans have been increased 36 times. More often than once a year we have increased those taxes.

Now I want to come back to the word ''surplus.'' The surplus coming in from the Social Security Trust Fund, in certain respects, can be considered taxing those workers for more than is necessary to meet the benefits. So I think there is merit in saying to the American workers, we are going to give some of that money back to them, that they have been paying more than what is needed to pay those benefits.

I think when the President suggests that some of those monies be invested in the capital market, that is consistent with what many of us have been suggesting for the last several years; that we need to increase the return on the investment from the tax money coming in from Social Security. We have a great opportunity, Mr. Speaker, to move ahead with truly saving social security. It should not be just verbiage that is politically popular, it should make tough decisions to come up with a social security bill that can be scored by the actuaries to keep social security solvent over this next 100 years.

Mr. Speaker, I urge my colleagues to look at the serious matters of social security and of medicare and to take this opportunity of surpluses coming in to this government as an opportunity to fix those two important programs.

TIME IS RIGHT TO SAVE SOCIAL SECURITY TRUST FUND

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

Mr. ROYCE. Mr. Speaker, the time is now to save the Social Security Trust Fund. And I say that because it has been 30 years that the Federal Government has run chronic budget deficits, until last year. We were looking, 4 years ago, at budget deficits which were $200 billion a year, and we anticipated that they would go out as far as the eye could see. But, instead, we took some actions in the Congress. We slowed the rate of growth of government spending and we reformed welfare.

We reformed welfare, and close to 40 percent of the people on welfare are now in working jobs. When we slowed the rate of government growth and brought the revenues and expenditures into balance and eliminated much of the wasteful government spending, we found that the interest rates dropped by 2 full percentage points, and this has helped the economy.

When we instituted the cut in the capital gains tax to 20 percent and reduced that capital gains tax, we found that that further stimulated the economy. As a matter of fact, it brought in more in revenue than we had raised off the capital gains tax, a higher tax, the prior year. So we have cut taxes.

We have instituted a $500 per child tax credit. At the same time, we have balanced the budget so that now we have a surplus instead of a deficit.

So what should we do with that surplus? My bill, H.R. 160, would designate 90 percent of the total budget surplus to buy marketable U.S. securities that are out on the market. They are interest bearing.

Right now what we have in that trust fund is $757 billion worth of IOUs, three-quarters of a trillion dollars of IOUs that we print up and put in a drawer, in a file folder, and we say this is an asset. Well, how about replacing those IOUs with marketable U.S. securities, a true asset, which is interest bearing? And we can do this if we show the same discipline that we showed over the last 4 years as we eliminated that budget deficit.

That is why I am asking my colleagues to cosponsor this bill. I believe that not a dime of America's social security savings should be used for anything except social security, and that is what this bill will ensure. It will ensure that within the next 10 years the three-quarters of a trillion dollars owed to social security will be replaced with these marketable interest-bearing securities.

I also believe that as we look at the projections of $4.5 trillion in surpluses over the next 15 years, it will do us little good to take credit for what we have done in terms of balancing the budget and reducing expenditures if we simply return to the old practice of tax and spend, not putting in place a plan that is dedicated to setting aside money year by year, by statute, with a program which will, by 2013, have refunded this money.

Now clearly this is not the only challenge that social security faces, this three-quarters of a trillion dollar debt that has been borrowed out of that trust fund. That is not the only challenge, because we as a society have seen demographic shifts. We know that we used to have more people working for every person who is retired. We used to have four people per family, and now we have two people per family, and that means that the number of people that are working relative to the number of people who are retired are shifting from four-to-one to two-to-one.

Then we have a second problem. It is not really a problem. It is something actually we should feel proud about. But when social security came into being, people lived to 68 years of age, and then it went to 78, and then 88. And who knows what the future will bring? But one thing we do know, we cannot continue to borrow out of the Social Security Trust Fund and not have a plan to take care of the fact that a larger and larger percentage of our society are going to be seniors who are living longer and are going to be needing to depend on that social security.

So, yes, there are other long-term changes we need to make in the program. But as we begin to plan for those long-term changes, it is absolutely essential that we dig ourselves out of the hole that we have put ourselves in over the last 30 years and replenish the account, starting this year. And we can do it with H.R. 160. And that is why I urge my colleagues, please cosponsor this bill. Let us not just have the rhetoric, let us have a plan in place that starts today, and over the next 10 years replenishes that trust fund.

AMERICA MUST ENSURE THAT GENOCIDE IS STOPPED

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

Mr. HOYER. Mr. Speaker, I rise with a combination of deep sorrow and great anger. Numerous times on the floor of this House I have risen and talked about war crimes in Bosnia. I have talked about Slobodan Milosevic branded by the State Department under George Bush as a war criminal. I have talked about the necessity of us confronting Slobodan Milosevic, not the Serbian people, but the leader of the Serbian Government, confronting him in a way that he clearly understood the West was serious; that the West would not tolerate genocide in Europe.

Mr. Speaker, unfortunately, in Bosnia, as all of us know, some 250,000 people lost their lives, over 2 million refugees were created by ethnic cleansing—the greatest tragedy in Europe since the Second World War.

Mr. Speaker, tragically, when dictators and despots are are not confronted effectively, the lesson of history is that they repeat their atrocities. Just the other day we saw such atrocities committed. When Ambassador Walker called it genocide, which

truly it was, a crime against humanity—people lying on the ground, children, women shot at close range, in their faces and in the backs their heads—Slobodan Milosevic told Ambassador Walker to ''Get out of my country''.

Mr. Speaker, as you may know, I'm the ranking member on the Commission on Security and Cooperation in Europe, the Helsinki Commission. In that capacity, I have traveled to Bosnia and to Kosovo, been to Pristina, talked to leaders, Albanian leaders and Serbian leaders. Tragically, there was no avenue for communication offered by the Serbian authorities. They would say that there are atrocities committed on both sides, and they would be correct. But, Mr. Speaker, as was the case in Bosnia, the overwhelming responsibility for the crimes against humanity which were committed in Bosnia, and are now being committed in Kosovo, are the responsibility of Slobodan Milosevic.

Now, you will recall, Mr. Speaker, that when I and others made those accusations, the response was, ''Oh, no, that is in Bosnia, not in Serbia. That is Karadzic, Mladic, and other Serbian leaders in Bosnia itself, not me,'' said Slobodan Milosevic. ''I am not responsible. I want to stop the war. I want to ensure the safety of people.''

Now, Mr. Speaker, there is no mask, there is no curtain, there is no veil. In point of fact, the world has seen the reality of Slobodan Melosevic's determination to accomplish his ends by whatever means possible—no matter how illegal they may be, no matter how evil they may be, no matter how many opponents' lives are lost, no matter that they are innocent women and children, old men, noncombatants. Slobodan Milosevic does not care.

Mr. Speaker, we focus on a lot of things in America, but we need to focus on the fact that we are the leader. And in that position we have a responsibility to come together with the rest of Europe to make sure that genocide has a consequence, that genocide is stopped, that people are saved.

ACCOMPLISHMENTS OF 105TH CONGRESS ARE MANY, BUT MUCH MORE REMAINS TO BE DONE

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

Mr. WELLER. Mr. Speaker, it is good to be here today. As I look back over the last 2 years, I am so proud of the accomplishments of this Congress, proud of what we have achieved in just the last few short years, accomplishments that include balancing the budget for the first time in 28 years, cutting taxes for the middle class for the first time in 16 years, saving medicare and giving medicare another 10 years of a strong, good life; and also reforming welfare by emphasizing work and family and responsibility for the first time in over a generation.

Now, this House of Representatives, even though we have accomplished quite a bit, accomplishments we are proud of, balancing the budget, cutting taxes for the middle class, reforming welfare and saving medicare, we face some big challenges ahead. Our tax burden is still too high. In fact, for the average American family the tax burden today totals almost 40 percent, if we add State and local as well as Federal taxes. We need to make sure that taxes are lower for working middle class families.

We need to help our local schools and ensure that the dollars that we provided, because we have increased funding by 10 percent this last year at the Federal level for our local schools, we need to ensure those dollars actually reach the classroom.

We need to increase and strengthen our Nation's defense. I think it is just wrong that 11,000 American military men and women today subsist on food stamps in order to make ends meet. That is just wrong. We need to make up and fix that and strengthen our national defense.

We also need to save social security, an issue that is so important not just for today's seniors but for every working American.

Tonight we are going to hear the President's State of the Union speech. It is important we be here to hear what the President has to say, and I hope tonight we hear from the President that he has a specific plan, a specific proposal to save social security.

□ 1445

For the last year and a half now, the President has talked about saving Social Security but he has yet to give us a plan, a proposal, specifics that we can work with him on to accomplish that goal. I hope tonight to hear some specifics.

As a member of the Subcommittee on Social Security, I am anxious to learn the President's proposal, and I am wondering whether his solution will raise taxes on working Americans. Will it cut benefits for seniors? Will he give opportunity for working Americans, or will he just redistribute wealth? Those are important questions, and we are looking forward to hearing the President's proposal.

I also hope to hear the President address an important issue, a fundamental question of tax fairness. I have often asked in this well here this question: Is it right, is it fair that 21 million married working couples pay on average $1,400 more in taxes today just because they are married, $1,400 more than an identical working couple living together outside of marriage? I think that is wrong, and I know the folks back in Chicago and the south suburbs that I have the privilege of representing also believe that the marriage tax penalty is wrong and unfair and we believe it should be eliminated.

In the Chicago south suburbs, in a town like Joliet and the district that I have the privilege of representing, $1,400 is one year's tuition at our local community college, Joliet Junior College. It is 3 months of day-care at a local day-care center. It is just wrong that our tax code punishes marriage. We should make elimination of the marriage tax penalty a bipartisan priority.

This past year the House of Representatives passed and sent to the Senate legislation that helped the process of saving social security and legislation that specifically eliminated the marriage tax penalty for a majority of those that suffer it. In fact, our legislation that we passed out of the House of Representatives last fall reserved $1.4 trillion of the budget surplus, extra tax revenue that we are now collecting more than we are spending, but set aside $1.4 trillion to save social security, and the rest we use to help working families by lowering their taxes, including eliminating the marriage tax penalty for the majority of those who suffer it.

My hope is that the President tonight will outline a plan which does save social security. It is my hope that the President will also come forward and embrace a bipartisan effort to eliminate the marriage tax penalty. We can get the job done, just as we have in the past.

Over the last 2 years, we have balanced the budget for the first time in 28 years; we cut taxes for the middle class for the first time in 16 years; we reformed welfare for the first time in a generation; and we extended the life of medicare by working together.

It is my hope that by working together under the leadership of our new Speaker, the gentleman from Illinois (Mr. HASTERT), that we can save Social Security, that we can eliminate the marriage tax penalty, that we can strengthen our Nation's defenses and ensure that the dollars we provide for our local schools actually reach the classroom.

SUBMISSION OF RULES OF THE COMMITTEE ON RULES OF THE HOUSE FOR THE 106TH CONGRESS

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

Mr. DREIER. Mr. Speaker, at its organizational meeting on January 6, 1999, pursuant to clause 2(a)(1)(A) of rule XI of the rules of the House, the Rules Committee adopted in an open meeting, with a quorum present, its committee rules for the 106th Congress. Pursuant

to clause 2(a)(1)(D) of rule XI of the rules of the House and clause (d) of rule I of the rules of the Committee on Rules, the rules of the Committee on Rules are hereby submitted for printing in the CONGRESSIONAL RECORD.

RULES OF THE COMMITTEE ON RULES

U.S. House of Representatives

106th Congress

RULE 1—GENERAL PROVISIONS

(a) The rules of the House are the rules of the Committee and its subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are non-debatable privileged motions in the Committee. A proposed investigative or oversight report shall be considered as read if it has been available to the members of the Committee for at least 24 hours (excluding Saturdays, Sundays, or legal holidays except when the House is in session on such day).

(b) Each subcommittee is a part of the Committee, and is subject to the authority and direction of the Committee and to its rules so far as applicable.

(c) The provisions of clause 2 of rule XI of the rules of the House are incorporated by reference as the rules of the Committee to the extent applicable.

(d) The Committee's rules shall be published in the Congressional Record not later than 30 days after the Committee is elected in each odd-numbered year.

RULE 2—REGULAR, ADDITIONAL, AND SPECIAL MEETINGS

Regular Meetings

(a)(1) The Committee shall regularly meet at 10:30 a.m. on Tuesday of each week when the House is in session.

(2) a regular meeting of the Committee may be dispensed with if, in the judgment of the Chairman of the Committee hereafter in these rules referred to as the ''Chair''), there is no need for a meeting.

(3) Additional regular meetings and hearings of the Committee may be called by the Chair.

Notice for Regular Meetings

(b) The Chair shall notify each member of the Committee of the agenda of each regular meeting of the Committee at least 48 hours before the time for the meeting and shall provide to each member of the Committee, at lease 24 hours before the time of each regular meeting.

(1) for each bill or resolution scheduled on the agenda for consideration of a rule, a copy of (A) the bill or resolution, (B) any committee reports thereon, and (C) any letter requesting a rule for the bill or resolution, and

(2) for each other bill, resolution, report, or other matter on the agenda a copy of—(A) the bill, resolution, report, or materials relating to the other matter in question; and (B) any report on the bill, resolution, report, or any other matter made by any subcommittee of the Committee.

Emergency Meetings

(c)(1) The Chair may call an emergency meeting of the Committee at any time on any measure or matter which the Chair determines to be of an emergency nature; provided however, that the Chair has made an effort to consult the ranking minority member, or, in such member's absence, the next ranking minority party members of the Committee.

(2) As soon as possible after calling an emergency meeting of the Committee, the Chair shall notify each member of the Committee of the time and location of the meeting.

(3) To the extent feasible, the notice provided under paragraph (2) shall include the agenda for the emergency meeting and copies of available materials which would otherwise have been provided under subsection (b) if the emergency meeting was a regular meeting.

Special Meetings

(d) Special meetings shall be called and convened as provided in clause 2(c)(2) of rule XI of the Rules of the House.

RULE 3—MEETING THE HEARING PROCEDURES

IN GENERAL

(a)(1) Meetings and hearings of the Committee shall be called to order and presided over by the Chair or, in the Chair's absence, by the member designated by the Chair as the Vice Chair of the Committee, or by the ranking majority member of the Committee present as Acting Chair.

(2) Meetings and hearings of the committee shall be open to the public unless closed in accordance with clause 2(g) of rule XI of the Rules of the House of Representatives.

(3) Any meeting or hearing of the Committee that is open to the public shall be open to coverage by television, radio, and still photography in accordance with the provisions of clause 4 of rule XI of the rules of the House (which are incorporated by reference as part of these rules).

(4) When a recommendation is made as to the kind of rule which should be granted for consideration of a bill or resolution, a copy of the language recommended shall be furnished to each member of the Committee at the beginning of the Committee meeting at which the rule is to be considered or as soon thereafter as the proposed language becomes available.

Quorum

(b)(1) For the purpose of hearing testimony on requests for rules, five members of the Committee shall constitute a quorum.

(2) For the purpose of taking testimony and receiving evidence on measures or matters of original jurisdiction before the Committee, three members of the Committee shall constitute a quorum.

(3) A majority of the members of the Committee shall constitute a quorum for the purposes of reporting any measure or matter, or authorizing a subpoena, of closing a meeting or hearing pursuant to clause 2(g) of rule XI of the Rules of the House (except as provided in clause 2(g)(2)(A) and (B), or of taking any other action.

Voting

(c)(1) No vote may be conducted on any measure or motion pending before the Committee unless a majority of the members of the Committee is actually present for such purpose.

(2) A record vote of the Committee shall be provided on any question before the Committee upon the request of any member.

(3) No vote by any member of the Committee on any measure or matter may be cast by proxy.

(4) A record of the vote of each Member of the Committee on each record vote on any matter before the Committee shall be available for public inspection at the offices of the Committee, and with respect to any record vote on any motion to amend or report, shall be included in the report of the Committee showing the total number of votes cast for and against and the names of those members voting for and against.

Hearing Procedures

(d)(1) With regard to hearings on matters of original jurisdiction, to the greatest extent practicable: (A) each witness who is to appear before the Committee shall file with the committee at least 24 hours in advance of the appearance a statement of proposed testimony in written and electronic form and shall limit the oral presentation to the Committee to a brief summary thereof; and (B) each witness appearing in a non-governmental capacity shall include with the statement of proposed testimony provided in written and electronic form a curriculum vitae and a disclosure of the amount and source (by agency and program) of any Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two preceding fiscal years.

(2) The five-minute rule shall be observed in the interrogation of each witness before the Committee until each member of the Committee has had an opportunity to question the witness.

(3) The provisions of clause 2(k) of rule XI of the rules of the House shall apply to any investigative hearing conducted by the committee.

Subpoenas and Oaths

(e)(1) Pursuant to clause 2(m) of rule XI of the rules of the House of Representatives, a subpoena may be authorized and issued by the Committee or a subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present.

(2) The Chair may authorize and issue subpoenas under such clause during any period in which the House has adjourned for a period of longer than three days.

(3) Authorized subpoenas shall be signed by the Chair or by any member designated by the Committee, and may be served by any person designated by the Chair or such member.

(4) The Chair, or any member of the Committee designated by the Chair, may administer oaths to witnesses before the Committee.

RULE 4—GENERAL OVERSIGHT AND INVESTIGATIVE RESPONSIBILITIES.

(a) The Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its jurisdiction.

(b) Not later than February 15 of the first session of a Congress, the committee shall meet in open session, with a quorum present, to adopt its oversight plans for that Congress for submission to the Committee on House Administration and the Committee on Government Reform, in accordance with the provisions of clause 2(d) of House rule X.

RULE 5—SUBCOMMITTEES

Establishment and Responsibilities of Subcommittees

(a)(1) There shall be two subcommittees of the Committee as follows:

(A) Subcommittee on Legislative and Budget Process, which shall have general responsibility for measures or matters related to relations between the Congress and the Executive Branch.

(B) Subcommittee on Rules and Organization of the House, which shall have general responsibility for measures or matters related to relations between the two Houses of Congress, relations between the Congress and the Judiciary, and internal operations of the House.

(2) In addition, each such subcommittee shall have specific responsibility for such other measures or matters as the Chair refers to it.

(3) Each subcommittee of the Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its general responsibility.

Referral of Measures and Matters to Subcommittees

(b)(1) In view of the unique procedural responsibilities of the Committee, no special order providing for the consideration of any bill or resolution shall be referred to a subcommittee of the Committee.

(2) The Chair shall refer to a subcommittee such measures or matters of original jurisdiction as the Chair deems appropriate given its jurisdiction and responsibilities.

(3) All other measures or matters of original jurisdiction shall be subject to consideration by the full Committee.

(4) In referring any measure or matter of original jurisdiction to a subcommittee, the Chair may specify a date by which the subcommittee shall report thereon to the Committee.

(5) The Committee by motion may discharge a subcommittee from consideration of any measures or matter referred to a subcommittee of the Committee.

Composition of Subcommittees

(c) The size and ratio of each subcommittee shall be determined by the Committee and members shall be elected to each subcommittee, and to the positions of chairman and ranking minority member thereof, in accordance with the rules of the respective party caucuses. The Chair of the full committee shall designate a member of the majority party on each subcommittee as its vice chairman.

Subcommittee Meetings and Hearings

(d)(1) Each subcommittee of the Committee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the full Committee on any measure or matter referred to it.

(2) No subcommittee of the Committee may meet or hold a hearing at the same time as a meeting or hearing of the full Committee is being held.

(3) The chairman of each subcommittee shall schedule meetings and hearings of the subcommittee only after consultation with the Chair.

Quorum

(e)(1) For the purpose of taking testimony, two members of the subcommittee shall constitute a quorum.

(2) For all other purposes, a quorum shall consist of a majority of the members of a subcommittee.

Effect of a Vacancy

(f) Any vacancy in the membership of a subcommittee shall not affect the power of the remaining members to execute the functions of the subcommittee.

Records

(g) Each subcommittee of the Committee shall provide the full Committee with copies of such records of votes taken in the subcommittee and such other records with respect to the subcommittee necessary for the Committee to comply with all rules and regulations of the House.

RULE 6—STAFF

In General

(a)(1) Except as provided in paragraphs (2) and (3), the professional and other staff of the Committee shall be appointed, by the Chair, and shall work under the general supervision and direction of the Chair.

(2) All professional, and other staff provided to the minority party members of the Committee shall be appointed, by the ranking minority member of the Committee, and shall work under the general supervision and direction of such member.

(3) The appointment of all professional staff shall be subject to the approval of the Committee as provided by, and subject to the provisions of, clause 9 of rule X of the rules of the House.

Associate Staff

(b) Associate staff for members of the Committee may be appointed only at the discretion of the Chair (in consultation with the ranking minority member regarding any minority party associate staff), after taking into account any staff ceilings and budgetary constraints in effect at the time, and any terms, limits, or conditions established by the Committee on House Administration under Clause 9 of rule X of the rules of the House.

Subcommittee Staff

(c) From funds made available for the appointment of staff, the Chair of the Committee shall, pursuant to clause 6(d) of rule X of the rules of the House, ensure that sufficient staff is made available to each subcommittee to carry out its responsibilities under the rules of the Committee, and, after consultation with the ranking minority member of the Committee, that the minority party of the Committee is treated fairly in the appointment of such staff.

Compensation of Staff

(d) The Chair shall fix the compensation of all professional and other staff of the Committee, after consultation with the ranking minority member regarding any minority party staff.

Certification of Staff

(e)(1) To the extent any staff member of the Committee or any of its subcommittees does not work under the direct supervision and direction of the Chair, the Member of the Committee who supervises and directs the staff member's work shall file with the Chief of Staff of the Committee (not later than the tenth day of each month) a certification regarding the staff member's work for that member for the preceding calendar month.

(2) The certification required by paragraph (1) shall be in such form as the Chair may prescribe, shall identify each staff member by name, and shall state that the work engaged in by the staff member and the duties assigned to the staff member for the member of the Committee with respect to the month in question met the requirements of clause 9 of rule X of the rules of the House.

(3) Any certification of staff of the Committee, or any of its subcommittees, made by the Chair in compliance with any provision of law or regulation shall be made (A) on the basis of the certifications filed under paragraph (1) to the extent the staff is not under the Chair's supervision and direction, and (B) on his own responsibility to the extent the staff is under the Chair's direct supervision and direction.

RULE 7—BUDGET, TRAVEL, PAY OF WITNESSES

Budget

(a) The Chair, in consultation with other members of the Committee, shall prepare for each Congress a budget providing amounts for staff, necessary travel, investigation, and other expenses of the Committee and its subcommittees.

Travel

(b)(1) The Chair may authorize travel for any member and any staff member of the Committee in connection with activities or subject matters under the general jurisdiction of the Committee. Before such authorization is granted, there shall be submitted to the Chair in writing the following:

(A) The purpose of the travel.

(B) The dates during which the travel is to occur.

(C) The names of the States or countries to be visited and the length of time to be spent in each.

(D) The names of members and staff of the Committee for whom the authorization is sought.

(2) Members and staff of the Committee shall make a written report to the Chair on any travel they have conducted under this subsection, including a description of their itinerary, expenses, and activities, and of pertinent information gained as a result of such travel.

(3) Members and staff of the Committee performing authorized travel on official business shall be governed by applicable laws, resolutions, and regulations of the House and of the Committee on House Administration.

Pay of Witnesses

(c) Witnesses may be paid from funds made available to the Committee in its expense resolution subject to the provisions of clause 5 of rule XI of the rules of the House.

RULE 8—COMMITTEE ADMINISTRATION

Reporting

(a) Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee—

(1) the Chair or acting Chair shall report it to the House or designate a member of the Committee to do so, and

(2) in the case of a bill or resolution in which the Committee has original jurisdiction, the Chair shall allow, to the extent that the anticipated floor schedule permits, any member of the Committee a reasonable amount of time to submit views for inclusion in the Committee report on the bill or resolution.

Any such report shall contain all matters required by the rules of the House of Representatives (or by any provision of law enacted as an exercise of the rulemaking power of the House) and such other information as the Chair deems appropriate.

Records

(b)(1) There shall be a transcript made of each regular meeting and hearing of the Committee, and the transcript may be printed if the Chair decides it is appropriate or if a majority of the Members of the Committee requests such printing. Any such transcripts shall be a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks. Nothing in this paragraph shall be construed to require that all such transcripts be subject to correction and publication.

(2) The Committee shall keep a record of all actions of the Committee and of its subcommittees. The record shall contain all information required by clause 2(e)(1) of rule XI of the rules of the House of Representatives and shall be available for public inspection at reasonable times in the offices of the Committee.

(3) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office

records of the Chair, shall be the property of the House, and all members of the House shall have access thereto as provided in clause 2(e)(2) of rule XI of the rules of the House.

(4) The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with rule VII of the rules of the House. The Chair shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on written request of any member of the Committee.

Committee Publications on the Internet

(c) To the maximum extent feasible, the Committee shall makes its publications available in electronic form.

Calendars

(d)(1) The Committee shall maintain a Committee Calendar, which shall include all bills, resolutions, and other matters referred to or reported by the Committee and all bills, resolutions, and other matters reported by any other committee on which a rule has been granted or formally requested, and such other matters as the Chair shall direct. The Calendar shall be published periodically, but in no case less often than once in each session of Congress.

(2) The staff of the Committee shall furnish each member of the Committee with a list of all bills or resolutions (A) reported from the Committee but not yet considered by the House, and (B) on which a rule has been formally requested but not yet granted. The list shall be updated each week when the House is in session.

(3) For purposes of paragraphs (1) and (2), a rule is considered as formally requested when the Chairman of a committee which has reported a bill or resolution (or a member of such committee authorized to act on the Chairman's behalf) (A) has requested, in writing to the Chair, that a hearing be scheduled on a rule for the consideration of the bill or resolution, and (B) has supplied the Committee with an adequate number of copies of the bill or resolution, as reported, together with the final printed committee report thereon.

Other Procedures

(e) The Chair may establish such other Committee procedures and take such actions as may be necessary to carry out these rules or to facilitate the effective operation of the Committee and its subcommittees in a manner consistent with these rules.

RULE 9—AMENDMENTS TO COMMITTEE RULES

The rules of the Committee may be modified, amended or repealed, in the same manner and method as prescribed for the adoption of committee rules in clause 2 of rule XI of the Rules of the House, but only if written notice of the proposed change has been provided to each such Member at least 48 hours before the time of the meeting at which the vote on the change occurs. Any such change in the rules of the Committee shall be published in the Congressional Record within 30 calendar days after their approval.

SUBMISSION OF RULES FOR THE COMMITTEE ON COMMERCE OF THE HOUSE FOR THE 106TH CONGRESS

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

Mr. BLILEY. Mr. Speaker, pursuant to clause 2(a)(2) of Rule XI of the Rules of the House of Representatives, the Committee on Commerce reports that it adopted the following rules for the 106th Congress and submits such rules for publication in the CONGRESSIONAL RECORD:

Rules for the Committee on Commerce, U.S. House of Representatives, 106th Congress, 1999–2000

Rule 1. General Provisions. (a) Rules of the Committee. The Rules of the House are the rules of the Committee on Commerce (hereinafter the ''Committee'') and its subcommittees so far as is applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable and privileged in the Committee and its subcommittees.

(b) Rules of the Subcommittees. Each subcommittee of the Committee is part of the Committee and is subject to the authority and direction of the Committee and to its rules so far as applicable. Written rules adopted by the Committee, not inconsistent with the Rules of the House, shall be binding on each subcommittee of the Committee.

Rule 2. Time and Place of Meetings. (a) Regular Meeting Days. The Committee shall meet on the fourth Tuesday of each month at 10 a.m., for the consideration of bills, resolutions, and other business, if the House is in session on that day. If the House is not in session on that day and the Committee has not met during such month, the Committee shall meet at the earliest practicable opportunity when the House is again in session. The chairman of the Committee may, at his discretion, cancel, delay, or defer any meeting required under this section, after consultation with the ranking minority member.

(b) Additional Meetings. The chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purposes pursuant to that call of the chairman.

(c) Vice Chairmen; Presiding Member. The chairman shall designate a member of the majority party to serve as vice chairman of the Committee, and shall designate a majority member of each subcommittee to serve as vice chairman of each subcommittee. The vice chairman of the Committee or subcommittee, as the case may be, shall preside at any meeting or hearing during the temporary absence of the chairman. If the chairman and vice chairman of the Committee or subcommittee are not present at any meeting or hearing, the ranking member of the majority party who is present shall preside at the meeting or hearing.

(d) Open Meetings and Hearings. Except as provided by the Rules of the House, each meeting of the Committee or any of its subcommittees for the transaction of business, including the markup of legislation, and each hearing, shall be open to the public including to radio, television and still photography coverage, consistent with the provisions of Rule XI of the Rules of the House.

Rule 3. Agenda. The agenda for each Committee or subcommittee meeting (other than a hearing), setting out the date, time, place, and all items of business to be considered, shall be provided to each member of the Committee at least 36 hours in advance of such meeting.

Rule 4. Procedure. (a)(1) Hearings. The date, time, place, and subject matter of any hearing of the Committee or any of its subcommittees shall be announced at least one week in advance of the commencement of such hearing, unless the Committee or subcommittee determines in accordance with clause 2(g)(3) of Rule XI of the Rules of the House that there is good cause to begin the hearing sooner.

(2)(A) Meetings. The date, time, place, and subject matter of any meeting (other than a hearing) scheduled on a Tuesday, Wednesday, or Thursday when the House will be in session, shall be announced at least 36 hours (exclusive of Saturdays, Sundays, and legal holidays except when the House is in session on such days) in advance of the commencement of such meeting.

(B) Other Meetings. The date, time, place, and subject matter of a meeting (other than a hearing or a meeting to which subparagraph (A) applies) shall be announced at least 72 hours in advance of the commencement of such meeting.

(b)(1) Requirements for Testimony. Each witness who is to appear before the Committee or a subcommittee shall file with the clerk of the Committee, at least two working days in advance of his or her appearance, sufficient copies, as determined by the chairman of the Committee or a subcommittee, of a written statement of his or her proposed testimony to provide to members and staff of the Committee or subcommittee, the news media, and the general public. Each witness shall, to the greatest extent practicable, also provide a copy of such written testimony in an electronic format prescribed by the chairman. Each witness shall limit his or her oral presentation to a brief summary of the argument. The chairman of the Committee or of a subcommittee, or the presiding member, may waive the requirements of this paragraph or any part thereof.

(2) Additional Requirements for Testimony. To the greatest extent practicable, the written testimony of each witness appearing in a non-governmental capacity shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of any federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two preceding fiscal years by the witness or by an entity represented by the witness.

(c) Questioning Witnesses. The right to interrogate the witnesses before the Committee or any of its subcommittees shall alternate between majority and minority members. Each member shall be limited to 5 minutes in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question witnesses. No member shall be recognized for a second period of 5 minutes to interrogate a witness until each member of the Committee present has been recognized once for that purpose. While the Committee or subcommittee is operating under the 5-minute rule for the interrogation of witnesses, the chairman shall recognize in order of appearance members who were not present when the meeting was called to order after all members who were present when the meeting was called to order have been recognized in the order of seniority on the Committee or subcommittee, as the case may be.

(d) Explanation of Subcommittee Action. No bill, recommendation, or other matter reported by a subcommittee shall be considered by the full Committee unless the text of

the matter reported, together with an explanation, has been available to members of the Committee for at least 36 hours. Such explanation shall include a summary of the major provisions of the legislation, an explanation of the relationship of the matter to present law, and a summary of the need for the legislation. All subcommittee actions shall be reported promptly by the clerk of the Committee to all members of the Committee.

(e) Opening Statements. Opening statements by members at the beginning of any hearing or markup of the Committee or any of its subcommittees shall be limited to 5 minutes each for the chairman and ranking minority member (or their respective designee) of the Committee or subcommittee, as applicable, and 3 minutes each for all other members.

Rule 5. Waiver of Agenda, Notice, and Layover Requirements. Requirements of rules 3, 4(a)(2), and 4(d) may be waived by a majority of those present and voting (a majority being present) of the Committee or subcommittee, as the case may be.

Rule 6. Quorum. Testimony may be taken and evidence received at any hearing at which there are present not fewer than two members of the Committee or subcommittee in question. A majority of the members of the Committee shall constitute a quorum for the purposes of reporting any measure of matter, of authorizing a subpoena, or of closing a meeting or hearing pursuant to clause 2(g) of Rule XI of the Rules of the House (except as provided in clause 2(g)(2)(A) and (B)). For the purposes of taking any action other than those specified in the preceding sentence, one-third of the members of the Committee or subcommittee shall constitute a quorum.

Rule 7. Official Committee Records. (a)(1) Journal. The proceedings of the Committee shall be recorded in a journal which shall, among other things, show those present at each meeting, and include a record of the vote on any question on which a record vote is demanded and a description of the amendment, motion, order, or other proposition voted. A copy of the journal shall be furnished to the ranking minority member.

(2) Record Votes. A record vote may be demanded by one-fifth for the members present or, in the apparent absence of a quorum, by any one member. No demand for a record vote shall be made or obtained except for the purpose of procuring a record vote or in the apparent absence of a quorum. The result of each record vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public, as provided in Rule XI, clause 2(e) of the Rules of the House.

(b) Archived Records. The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with Rule VII of the Rules of the House. The chairman shall notify the ranking minority member of any decision, pursuant to clause 3 (b)(3) or clause 4 (b) of the Rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on the written request of any member of the Committee. The chairman shall consult with the ranking minority member on any communication from the Archivist of the United States or the Clerk of the House concerning the disposition of noncurrent records pursuant to clause 3(b) of the Rule.

Rule 8. Subcommittees. There shall be such standing subcommittees with such jurisdiction and size as determined by the majority party caucus of the Committee. The jurisdiction, number, and size of the subcommittees shall be determined by the majority party caucus prior to the start of the process for establishing subcommittee chairmanships and assignments.

Rule 9. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the Committee on all matters referred to it. Subcommittee chairmen shall set hearing and meeting dates only with the approval of the chairman of the Committee with a view toward assuring the availability of meeting rooms and avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings whenever possible.

Rule 10. Reference of Legislation and Other Matters. All legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks of the date of receipt by the Committee unless action is taken by the full committee within those two weeks, or by majority vote of the members of the Committee, consideration is to be by the full Committee. In the case of legislation or other matter within the jursidiction of more than one subcommittee, the chairman of the Committee may, in his discretion, refer the matter simultaneously to two or more subcommittees for concurrent consideration, or may designate a subcommittee of primary jurisdiction and also refer the matter to one or more additional subcommittees for consideration in sequence (subject to appropriate time limitations), either on its initial referral or after the matter has been reported by the subcommittee of primary jurisdiction. Such authority shall include the authority to refer such legislation or matter to an ad hoc subcommittee appointed by the chairman, with the approval of the Committee, from the members of the subcommittee having legislative or oversight jurisdiction.

Rule 11. Ratio of Subcommittees. The majority caucus of the Committee shall determine an appropriate ratio of majority to minority party members for each subcommittee and the chairman shall negotiate that ratio with the minority party, provided that the ratio of party members on each subcommittee shall be no less favorable to the majority than that of the full Committee, nor shall such ratio provide for a majority of less than two majority members.

Rule 12. Subcommittee Membership. (a) Selection of Subcommittee Members. Prior to any organizational meeting held by the Committee, the majority and minority caucuses shall select their respective members of the standing subcommittees.

(b) Ex Officio Members. The chairman and ranking minority member of the Committee shall be ex officio members with voting privileges of each subcommittee of which they are not assigned as members and may be counted for purposes of establishing a quorum in such subcommittees.

Rule 13. Managing Legislation on the House Floor. The chairman, in his discretion, shall designate which member shall manage legislation reported by the Committee to the House.

Rule 14. Committee Professional and Clerical Staff Appointments. (a) Delegation of Staff. Whenever the chairman of the Committee determines that any professional staff member appointed pursuant to the provisions of clause 9 of Rule X of the House of Representatives, who is assigned to such chairman and not to the ranking minority member, by reason of such professional staff member's expertise or qualifications will be of assistance to one or more subcommittees in carrying out their assigned responsibilities, he may designate such member to such subcommittees for such purpose. A delegation of a member of the professional staff pursuant to this subsection shall be made after consultation with subcommittee chairmen and with the approval of the subcommittee chairman or chairmen involved.

(b) Minority Professional Staff. Professional staff members appointed pursuant to clause 9 of Rule X of the House of Representatives, who are assigned to the ranking minority member of the Committee and not to the chairman of the Committee, shall be assigned to such Committee business as the minority party members of the Committee consider advisable.

(c) Additional Staff Appointments. In addition to the professional staff appointed pursuant to clause 9 of Rule X of the House of Representatives, the chairman of the Committee shall be entitled to make such appointments to the professional and clerical staff of the Committee as may be provided within the budget approved for such purposes by the Committee. Such appointee shall be assigned to such business of the full Committee as the chairman of the Committee considers advisable.

(d) Sufficient Staff. The chairman shall ensure that sufficient staff is made available to each subcommittee to carry out its responsibilities under the rules of the Committee.

(e) Fair Treatment of Minority Members in Appointment of Committee Staff. The chairman shall ensure that the minority members of the Committee are treated fairly in appointment of Committee staff.

(f) Contracts for Temporary or Intermittent Services. Any contract for the temporary services or intermittent service of individual consultants or organizations to make studies or advise the Committee or its subcommittees with respect to any matter within their jurisdiction shall be deemed to have been approved by a majority of the members of the Committee if approved by the chairman and ranking minority member of the Committee. Such approval shall not be deemed to have been given if at least one-third of the members of the Committee request in writing that the Committee formally act on such a contract, if the request is made within 10 days after the latest date on which such chairman or chairmen, and such ranking minority member or members, approve such contract.

Rule 15. Supervision, Duties of Staff. (a) Supervision of Majority Staff. The professional and clerical staff of the Committee not assigned to the minority shall be under the supervision and direction of the chairman who, in consultation with the chairmen of the subcommittees, shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(b) Supervision of Minority Staff. The professional and clerical staff assigned to the minority shall be under the supervision and direction of the minority members of the Committee, who may delegate such authority as they determine appropriate.

Rule 16. Committee Budget. (a) Preparation of Committee Budget. The chairman of the Committee, after consultation with the ranking minority member of the Committee and the chairmen of the subcommittees, shall for the 106th Congress prepare a preliminary budget for the Committee, with such budget including necessary amounts for

professional and clerical staff, travel, investigations, equipment and miscellaneous expenses of the Committee and the subcommittees, and which shall be adequate to fully discharge the Committee's responsibilities for legislation and oversight. Such budget shall be presented by the chairman to the majority party caucus of the Committee and thereafter to the full Committee for its approval.

(b) Approval of the Committee Budget. The chairman shall take whatever action is necessary to have the budget as finally approved by the Committee duly authorized by the House. No proposed Committee budget may be submitted to the Committee on House Administration unless it has been presented to and approved by the majority party caucus and thereafter by the full Committee. The chairman of the Committee may authorize all necessary expenses in accordance with these rules and within the limits of the Committee's budget as approved by the House.

(c) Monthly Expenditures Report. Committee members shall be furnished a copy of each monthly report, prepared by the chairman for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year by the Committee and subcommittees, anticipated expenditures for the projected Committee program, and detailed information on travel.

Rule 17. Broadcasting of Committee Hearings. Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of clause 4 of Rule XI of the Rules of the House. The coverage of any hearing or other proceeding of the Committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the Committee, the subcommittee chairman, or other member of the Committee presiding at such hearing or other proceeding and may be terminated by such member in accordance with the Rules of the House.

Rule 18. Comptroller General Audits. The chairman of the Committee is authorized to request verification examinations by the Comptroller General of the United States pursuant to Title V, Part A of the Energy Policy and Conservation Act (Public Law 94–163), after consultation with the members of the Committee.

Rule 19. Subpoenas. The Committee, or any subcommittee, may authorize and issue a subpoena under clause 2(m)(2)(A) of Rule XI of the House, if authorized by a majority of the members of the Committee or subcommittee (as the case may be) voting, a quorum being present. Authorized subpoenas may be issued over the signature of the chairman of the Committee or any member designated by the Committee, and may be served by any person designated by such chairman or member. The chairman of the Committee may authorize and issue subpoenas under such clause during any period for which the House has adjourned for a period in excess of 3 days when, in the opinion of the chairman, authorization and issuance of the subpoena is necessary to obtain the material set forth in the subpoena. The chairman shall report to the members of the Committee on the authorization and issuance of a subpoena during the recess period as soon as practical but in no event later than one week after service of such subpoena.

Rule 20. Travel of Members and Staff. (a) Approval of Travel. Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, travel to be reimbursed from funds set aside for the Committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the Committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the chairman in writing the following: (1) the purpose of the travel; (2) the dates during which the travel is to be made and the date or dates of the event for which the travel is being made; (3) the location of the event for which the travel is to be made; and (4) the names of members and staff seeking authorization.

(b) Approval of Travel by Minority Members and Staff. In the case of travel by minority party members and minority party professional staff for the purpose set out in (a), the prior approval, not only of the chairman but also of the ranking minority member, shall be required. Such prior authorization shall be given by the chairman only upon the representation by the ranking minority member in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now recognize Members for special orders until 5 p.m., at which time the Chair will declare the House in recess.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that tonight when the two Houses meet in a joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right side will be open.

No one will be allowed on the floor of the House who does not have the privileges of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rules regarding the privileges of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor, and the cooperation of all Members is requested.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 8:40 p.m. for the purpose of receiving in joint session the President of the United States.

Accordingly (at 2 o'clock and 50 minutes p.m.), the House stood in recess until approximately 8:40 p.m.

□ 2041

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 41 minutes p.m.

RESIGNATION AS MEMBER OF COMMITTEE ON THE BUDGET

The SPEAKER laid before the House the following resignation as a member of the Committee on the Budget:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, January 12, 1999.

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

DEAR MR. SPEAKER: I hereby resign my position on the Committee on the Budget effective immediately.

Sincerely,

DAN MILLER,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO COMMITTEE ON THE BUDGET

Mr. ARMEY. Mr. Speaker, I offer a resolution (H. Res. 21) and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 21

Resolved, That the following named Members be, and are hereby, elected to the following standing committee of the House:

COMMITTEE ON THE BUDGET: Mr. Collins of Georgia; and Mr. Wamp of Tennessee; both to rank in the named order following Mr. Ryun of Kansas.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS TO COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. ARMEY. Mr. Speaker, I offer a resolution (H. Res. 22) and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 22

Resolved, That the following named Members be, and are hereby, elected to serve on the following standing committee of the House:

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT: Mr. Hefley of Colorado; Mr. Knollenberg of Michigan; Mr. Portman of Ohio; and Mr. Camp of Michigan.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW PENDING MESSAGE FROM THE SENATE

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it stand adjourned until 2 p.m. tomorrow, unless the House sooner receives a message from the Senate transmitting its concurrence in House Concurrent Resolution 11, in which case the House shall stand adjourned pursuant to that concurrent resolution.

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

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FROST. Mr. Speaker, I offer a resolution (H. Res. 23) and I ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 23

Resolved, That the following named Members, Delegates and the Resident Commissioner by, and are hereby, elected to serve on standing committees as follows:

COMMITTEE ON AGRICULTURE: Mr. Hill, Indiana.

COMMITTEE ON ARMED SERVICES: Mr. Larson, Connecticut.

COMMITTEE ON INTERNATIONAL RELATIONS: Mr. Pomeroy, North Dakota; Mr. Delahunt, Massachusetts; Mr. Meeks, New York; Ms. Lee, California; Mr. Crowley, New York; and Mr. Hoeffel, Pennsylvania.

COMMITTEE ON SCIENCE: Mr. Weiner, New York; and Mr. Capuano, Massachusetts.

COMMITTEE ON SMALL BUSINESS: Mr. Baird, Washington; Ms. Schakowsky, Illinois.

Mr. FROST (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

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

There was no objection.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER, MAJORITY LEADER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND TO MAKE APPOINTMENTS NOTWITHSTANDING ADJOURNMENT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, February 2, 1999, the Speaker, majority leader and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

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

There was no objection.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 1 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The Speaker of the House presided.

The Deputy Sergeant at Arms, Mr. James Varey, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber:

The gentleman from Texas (Mr. ARMEY);

The gentleman from Oklahoma (Mr. WATTS);

The gentlewoman from Florida (Mrs. FOWLER);

The gentleman from Arkansas (Mr. DICKEY);

The gentleman from Arkansas (Mr. HUTCHINSON);

The gentleman from Missouri (Mr. GEPHARDT);

The gentleman from Michigan (Mr. BONIOR);

The gentleman from Texas (Mr. FROST);

The gentlewoman from New Jersey (Mr. MENENDEZ);

The gentleman from Arkansas (Mr. BERRY); and

The gentleman from Arkansas (Mr. SNYDER).

The VICE PRESIDENT. The President of the Senate, at the direction of that body, appoints the following Senators as members of the committee on the part of the Senate to escort the President of the United States into the House Chamber:

The Senator from Mississippi (Mr. LOTT);

The Senator from Oklahoma (Mr. NICKLES);

The Senator from South Carolina (Mr. THURMOND);

The Senator from Alaska (Mr. STEVENS);

The Senator from New Mexico (Mr. DOMENICI);

The Senator from Virginia (Mr. WARNER);

The Senator from South Dakota (Mr. DASCHLE);

The Senator from Nevada (Mr. REID);

The Senator from Maryland (Ms. MIKULSKI);

The Senator from Louisiana (Mr. BREAUX);

The Senator from Massachusetts (Mr. KERRY);

The Senator from North Dakota (Mr. DORGAN);

The Senator from New Jersey (Mr. TORRICELLI);

The Senator from Washington (Mrs. MURRAY);

The Senator from West Virginia (Mr. ROCKEFELLER); and

The Senator from Illinois (Mr. DURBIN).

The Deputy Sergeant at Arms announced the Acting Dean of the Diplomatic Corps, His Excellency Roble Olhaye, Ambassador to the United States from Djibouti.

The Acting Dean of the Diplomatic Corps entered the Hall of the House of Representatives and took the seat reserved for him.

The Deputy Sergeant at Arms announced the Associate Justices of the Supreme Court of the United States of America.

The Associate Justices of the Supreme Court of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Deputy Sergeant at Arms announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 6 minutes p.m., the Sergeant at Arms, Mr. Wilson Livingood, announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

(Applause, the Members rising.)

The SPEAKER. Members of Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States.

(Applause, the Members rising.)

THE STATE OF THE UNION ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The PRESIDENT. Thank you very much.

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

Tonight, I have the honor of reporting to you on the State of the Union.

Let me begin by saluting the new Speaker of the House and thanking him especially tonight for extending an invitation to two guests sitting in the gallery with Mrs. Hastert. Lyn Gibson and Wei Ling Chestnut are the widows of the two brave Capitol Hill Police Officers who gave their lives to defend freedom's house.

Mr. Speaker, at your swearing in, you asked us all to work together in a spirit of civility and bipartisanship. Mr. Speaker, let's do exactly that.

Tonight I stand before you to report that America has created the longest peacetime economic expansion in our history, with nearly 18 million new jobs, wages rising at more than twice the amount of inflation, the highest home ownership in history, the smallest welfare rolls in 30 years and the lowest peacetime unemployment since 1957.

For the first time in 3 decades, the budget is balanced. From a deficit of $290 billion in 1992, we had a surplus of $70 billion last year, and now we are on course for budget surpluses for the next 25 years.

Thanks to the pioneering leadership of all of you, we have the lowest violent crime rate in a quarter of a century. Our environment is the cleanest in a quarter of a century.

America is a strong force for peace from Northern Ireland, to Bosnia, to the Middle East.

Thanks to the leadership of Vice President GORE, we have a government for the Information Age. Once again, our government is a progressive instrument of the common good, rooted in our oldest values of opportunity, responsibility and community, devoted to fiscal responsibility, determined to give our people the tools they need to make the most of their own lives in the 21st century. A 21st century government for 21st century America.

My fellow Americans, I stand before you tonight to report that the state of our union is strong.

America is working again. The promise of our future is limitless. But we cannot realize that promise if we allow the hum of our prosperity to lull us into complacency. How we fare as a nation far into the 21st century depends upon what we do as a nation today.

So with our budget surplus growing, our economy expanding, our confidence rising, now is the moment for this generation to meet our historic responsibility to the 21st century.

Our fiscal discipline gives us an unsurpassed opportunity to address a remarkable new challenge: the aging of America.

With the number of elderly Americans set to double by 2030, the Baby Boom will become a Senior Boom.

So first and above all, we must save Social Security for the 21st century.

Early in this century, being old meant being poor. When President Roosevelt created Social Security, thousands wrote to thank him for eliminating what one woman called the ''stark terror of penniless, helpless old age.'' Even today, without Social Security, half our Nation's elderly would be forced into poverty.

Today, Social Security is strong. But by 2013, payroll taxes will no longer be sufficient to cover monthly payments. And by 2032, the Trust Fund will be exhausted and Social Security will be unable to pay the full benefits older Americans have been promised.

The best way to keep Social Security a rock-solid guarantee is not to make drastic cuts in benefits; not to raise payroll tax rates; not to drain resources from Social Security in the name of saving it.

Instead, I propose that we make the historic decision to invest the surplus to save Social Security.

Specifically, I propose that we commit 60 percent of the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector just as any private or State government pension would do. This will earn a higher return and keep Social Security sound for 55 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. We should reduce poverty among elderly women, who are nearly twice as likely to be poor as our other seniors, and we should eliminate the limits on what seniors on Social Security can earn.

Now, these changes will require difficult but fully achievable choices over and above the dedication of the surplus. They must be made on a bipartisan basis. They should be made this year. So let me say to you tonight, I reach out my hand to all of you in both Houses and in both parties and ask that we join together in saying to the American people, we will save Social Security now.

Last year, we wisely reserved all of the surplus until we knew what it would take to save Social Security. Again, I say, we should not spend any of it, not any of it, until after Social Security is truly saved. First things first.

Second, once we have saved Social Security, we must fulfill our obligation to save and improve Medicare. Already, we have extended the life of the Medicare Trust Fund by 10 years, but we should extend it for at least another decade. Tonight I propose that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare until the year 2020.

But again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the bipartisan Medicare commission. If we work together, we can secure Medicare for the next 2 decades, and cover the greatest growing need of seniors, affordable prescription drugs.

Third, we must help all Americans, from their first day on the job, to save, to invest, to create wealth. From its beginning, Americans have supplemented Social Security with private pensions and savings. Yet today, millions of people retire with little to live on other than Social Security. Americans living longer than ever simply must save more than ever.

Therefore, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st century. I propose that we use a little over 11 percent of the surplus to establish Universal Savings Accounts, USA Accounts, to give all Americans the means to save. With these new accounts, Americans can invest as they choose, and receive funds to match a portion of their savings, with extra help for those least able to save.

USA Accounts will help all Americans to share in our Nation's wealth, and to enjoy a more secure retirement. I ask you to support them.

Fourth, we must invest in long-term care. I propose a tax credit of $1,000 for the aged, ailing or disabled and the families who care for them. Long-term care will become a bigger and bigger challenge with the aging of America, and we must do more to help our families deal with it.

I was born in 1946, the first year of the Baby Boom. I can tell you that one of the greatest concerns of our generation is our absolute determination not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren. Our economic success and our fiscal discipline now give us an opportunity to lift that burden from their shoulders, and we should take it.

Saving Social Security and Medicare, creating USA Accounts, this is the right way to use the surplus. If we do so, if we do so, we will still have resources to meet critical needs in education and defense. And I want to point out that this proposal is fiscally sound. Listen to this: If we set aside 60 percent of the surplus for Social Security and 16 percent for Medicare, over the next 15 years, that saving will achieve the lowest level of publicly held debt since right before World War I in 1917.

So, with these four measures, saving Social Security, strengthening Medicare, establishing the USA Accounts, supporting long-term care, we can begin to meet our generation's historic responsibility to establish true security for 21st century seniors.

Now, there are more children from more diverse backgrounds in our public schools than at any time in our history. Their education must provide the knowledge and nurture the creativity

that will allow our entire Nation to thrive in the new economy.

Today we can say something we could not say 6 years ago: With tax credits and more affordable student loans, with more work study grants and more Pell grants, with education IRAs and the new HOPE Scholarship tax cut that more than 5 million Americans will receive this year, we have finally opened the doors of college to all Americans.

With our support, nearly every State has set higher academic standards for public schools, and a voluntary national test is being developed to measure the progress of our students. With over $1 billion in discounts available this year, we are well on our way to our goal of connecting every classroom and library to the Internet.

Last fall, you passed our proposal to start hiring 100,000 new teachers to reduce class size in the early grades. Now I ask you to finish the job.

You know, our children are doing better. SAT scores are up, math scores have risen in nearly all grades. But there is a problem: While our fourth graders outperform their peers in other countries in math and science, our eighth graders are around average, and our twelfth graders rank near the bottom.

We must do better. Now, each year, the national government invests more than $15 billion in our public schools. I believe we must change the way we invest that money, to support what works and to stop supporting what does not work.

First, later this year I will send to Congress a plan that for the first time holds States and school districts accountable for progress, and rewards them for results. My Education Accountability Act will require every school district receiving Federal help to take the following five steps.

First, all schools must end social promotion. No child, no child should graduate from a high school with a diploma he or she can't read. We do our children no favors when we allow them to pass from grade to grade without mastering the material.

But we can't just hold students back because the system fails them, so my balanced budget triples the funding for summer school and after-school programs to keep 1 million children learning.

If you doubt this will work, just look at Chicago, which ended social promotion and made summer school mandatory for those who don't master the basics. Math and reading scores are up 3 years running, with some of the biggest gains in some of the poorest neighborhoods. It will work, and we should do it.

Second, all States and school districts must turn around their worst performing schools or shut them down. That is the policy established in North Carolina by Governor Jim Hunt. North Carolina made the biggest gains in test scores in the Nation last year. Our budget includes $200 million to help States turn around their own failing schools.

Third, all States and school districts must be held responsible for the quality of their teachers. The great majority of our teachers do a fine job, but in too many schools teachers don't have college majors, or even minors, in the subjects they teach. New teachers should be required to pass performance exams, and all teachers should know the subjects they are teaching.

This year's balanced budget contains resources to help them reach higher standards, and to attract talented young teachers to the toughest assignments, I recommend a six-fold increase in our program for college scholarships for students who commit to teach in the inner cities and isolated rural areas and in Indian communities. Let us bring excellence to every part of America.

Fourth, we must empower parents with more information and more choices. In too many communities it is easier to get information on the quality of local restaurants than on the quality of the local schools. Every school district should issue report cards on every school, and parents should be given more choices in selecting their public schools.

When I became President, there was just one independent public charter school in all America. With our support, on a bipartisan basis, today there are 1,100. My budget assures that early in the next century there will be 3,000.

Fifth, to ensure that our classrooms are truly places of learning and to respond to what teachers have been asking us to do for years, we should say that all States and school districts must both adopt and implement sensible discipline policies.

Now, let's do one more thing for our children. Today too many schools are so old they are falling apart, or so overcrowded students are learning in trailers. Last fall Congress missed the opportunity to change that. This year, with 53 million children in our schools, Congress must not miss that opportunity again. I ask you to help our communities build or modernize 5,000 schools.

Now, if we do these things—end social promotion, turn around failing schools, build modern ones, support qualified teachers, promote innovation, competition, and discipline—then we will begin to meet our generation's historic responsibility to create 21st century schools.

We also have to do more to support the millions of parents who give their all every day at home and at work.

The most basic tool of all is a decent income. So let's raise the minimum wage by $1 an hour over the next 2 years. And let's make sure that women and men get equal pay for equal work by strengthening enforcement of the equal pay laws.

That was encouraging, you know. There was more balance on the seesaw. I like that. Let's give them a hand. That's great.

Working parents also need quality child care. So again this year I ask Congress to support our plan for tax credits and subsidies for working families, for improved safety and quality, for expanded after-school programs.

Our plan also includes a new tax credit for stay-at-home parents, too. They need support, as well. Parents should never have to worry about choosing between their children and their work. The Family and Medical Leave Act, the very first bill I signed into law, has now, since 1993, helped millions and millions of Americans to care for a newborn baby or an ailing relative without risking their jobs. I think it is time, with all the evidence that it has been so little burdensome to employers, to extend family leave to 10 million more Americans working for smaller companies. I hope you will support it.

Finally, on the matter of work, parents should never have to face discrimination in the workplace. I want to ask Congress to prohibit companies from refusing to hire or promote workers simply because they have children. That is not right.

America's families deserve the world's best medical care. Thanks to bipartisan Federal support for medical research, we are now on the verge of new treatments to prevent or delay diseases, from Parkinsons to Alzheimers, from arthritis to cancer. But as we continue our advances in medical science, we can't let our medical system lag behind.

Managed care has literally transformed medicine in America, driving down costs, but threatening to drive down quality as well. I think we ought to say to every American, you should have the right to know all your medical options, not just the cheapest. If you need a specialist, you should have a right to see one. You have a right to the nearest emergency care, if you are in an accident. These are things that we ought to say. I think we ought to say, you should have a right to keep your doctor during a period of treatment, whether it is a pregnancy or a chemotherapy treatment or anything else. I believe this.

Now, I have ordered these rights to be extended to the 85 million Americans served by Medicare, Medicaid, and other Federal health programs. But only Congress can pass a Patients' Bill of Rights for all Americans. Last year, Congress missed that opportunity. We must not miss that opportunity again. For the sake of our families, I ask us to join together across party lines and

pass a strong, enforceable Patients' Bill of Rights.

As more of our medical records are stored electronically, the threats to our privacy increase. Because Congress has given me the authority to act if it does not do so by August, one way or another, we can all say to the American people, we will protect the privacy of medical records, and we will do it this year.

Two years ago the Congress extended health coverage to up to 5 million children. Now we should go beyond that. We should make it easier for small businesses to offer health insurance. We should give people between the ages of 55 and 65 who lose their health insurance the chance to buy into Medicare. We should continue to ensure access to family planning.

No one should have to choose between keeping health care and taking a job. Therefore, I especially ask you tonight to join hands to pass the landmark bipartisan legislation proposed by Senators KENNEDY and JEFFORDS, ROTH and MOYNIHAN, to allow people with disabilities to keep their health insurance when they go to work.

We need to enable our public hospitals, our community, our university health centers, to provide basic, affordable care for all the millions of working families who don't have any insurance. They do a lot of that today, but much more can be done, and my balanced budget makes a good down payment toward that goal. I hope you will think about them and support that provision.

Let me say, we must step up our efforts to treat and prevent mental illness. No American should ever be afraid, ever, to address this disease. This year we will host a White House Conference on Mental Health. With sensitivity, commitment and passion, Tipper Gore is leading our efforts here, and I would like to thank her for what she is doing.

As everyone knows, our children are targets of a massive media campaign to hook them on cigarettes. I ask this Congress to resist the tobacco lobby, to reaffirm the FDA's authority to protect our children from tobacco, and to hold tobacco companies accountable while protecting tobacco farmers.

Smoking has cost taxpayers hundreds of billions of dollars under Medicare and other programs. The States have been right about this, taxpayers shouldn't pay for the cost of lung cancer, emphysema, and other smoking-related illnesses; the tobacco companies should. So tonight I announce that the Justice Department is preparing a litigation plan to take the tobacco companies to court, and with the funds we recover, to strengthen Medicare.

Now, if we act in these areas—minimum wage, family leave, child care, health care, the safety of our children—then we will begin to meet our generation's historic responsibilities to strengthen our families for the 21st century.

Today, America is the most dynamic competitive job creating economy in history.

But we can do even better in building a 21st century economy that embraces all Americans.

Today's income gap is largely a skills gap. Last year, the Congress passed a law enabling workers to get a skills grant to choose the training they need, and I applaud all of you here who were part of that. This year, I recommend a five-year commitment to this new system, so that we can provide over the next 5 years appropriate training opportunities for all Americans who lose their jobs and expand rapid response teams to help all towns which have been really hurt when businesses close. I hope you will support this.

Also, I ask your support for a dramatic increase in Federal support for adult literacy. We can mount a national campaign, aimed at helping the millions and millions of working people who still read at less than a fifth grade level. We need to do this.

Here is some good news. In the past 6 years, we have cut the welfare rolls nearly in half. Two years ago, from this podium, I asked five companies to lead a national effort to hire people off welfare. Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people. Our balanced budget will help another 200,000 people move to the dignity and pride of work. I hope you will support it.

We must do more to bring the spark of private enterprise to every corner of America, to build a bridge from Wall Street to Appalachia, to the Mississippi Delta, to our Native American communities, with more support for community development banks, for empowerment zones, for 100,000 new vouchers for affordable housing, and I ask Congress to support our bold new plan to help businesses raise up to $15 billion in private sector capital to bring jobs and opportunities to our inner cities and rural areas, with tax credits, loan guarantees, including the new American Private Investment Companies modeled on our Overseas Private Investment Corporation.

Now, for years and years and years we have had this OPIC, this Overseas Private Investment Corporation, because we knew we had untapped markets overseas. But our greatest untapped markets are not overseas; they are right here at home, and we should go after them.

Now, we must work hard to help bring prosperity back to the family farm. You know, as this Congress knows very well, dropping prices and the loss of foreign markets have devastated too many family farms. Last year, the Congress provided substantial assistance to help stave off a disaster in American agriculture, and I am ready to work with lawmakers of both parties to create a farm safety net that will include crop insurance reform and farm income assistance. I ask you to join with me and do this.

This should not be a political issue. Everyone knows what an economic problem is going on out there in rural America today, and we need an appropriate means to address it.

We must strengthen our lead in technology. It was government investment that led to the creation of the Internet. I propose a 28 percent increase in long-term computing research. We also must be ready for the 21st century from its very first moment, by solving the so-called ''Y2K'' computer problem.

Now, we had one Member of Congress stand up and applaud, and we may have about that ratio out there applauding at home in front of their television sets. But, remember, this is a big, big problem and we have been working hard on it. Already we have made sure that the Social Security checks will come on time, but I want all the folks at home listening to know that we need every State and local government, every business, large and small, to work with us to make sure that this Y2K computer bug will be remembered as the last headache of the 20th century, not the first crisis of the 21st.

Now, for our own prosperity, we must support economic growth abroad. Until recently, a third of our economic growth came from exports, but over the past year and a half, financial turmoil overseas has put that growth at risk. Today, much of the world is in recession, with Asia hit especially hard.

This is the most serious financial crisis in half a century. To meet it, the United States and other nations have reduced interest rates and strengthened the International Monetary Fund, and while the turmoil is not over, we have worked very hard with other nations to contain it.

At the same time, we have to continue to work on the long-term project, building a global financial system for the 21st century that promotes prosperity and tames the cycle of boom and bust that has engulfed so much of Asia.

This June, I will meet with other world leaders to advance this historic purpose, and I ask all of you to support our endeavors. I also ask you to support creating a freer and fairer trading system for 21st century America.

I would like to say something really serious to everyone in this Chamber and both parties. I think trade has divided us and divided Americans outside this Chamber for too long. Somehow we have to find a common ground on which business and workers and environmentalists and farmers and government can stand together. I believe these are the things we ought to all agree on, so let me try.

First, we ought to tear down barriers, open markets and expand trade, but at the same time we must ensure that ordinary citizens in all countries actually benefit from trade, a trade that promotes the dignity of work and the rights of workers and protects the environment. We must insist that international trade organizations be more open to public scrutiny, instead of mysterious secret things subject to wild criticism.

When you come right down to it, now that the world economy is becoming more and more integrated, we have to do in the world what we spent the better part of this century doing here at home. We have got to put a human face on the global economy.

Now, we must enforce our trade laws when imports unlawfully flood our Nation. I have already informed the Government of Japan that if that nation's sudden surge of steel imports into our country is not reversed, America will respond.

We must help all manufacturers, hit hard by the present crisis, with loan guarantees and other incentives to increase American exports by nearly $2 billion.

I would like to believe we can achieve a new consensus on trade based on these principles, and I ask the Congress again to join me in this common approach and to give the President the trade authority long used and now overdue and necessary to advance our prosperity in the 21st century.

Tonight I issue a call to the nations of the world to join the United States in a new round of global trade negotiation to expand exports of services, manufacturers and farm products.

Tonight I say, we will work with the International Labor Organization on a new initiative to raise labor standards around the world and this year we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world.

If we do these things—invest in our people, our communities, our technology and lead in the global economy—then we will begin to meet our historic responsibility to build a 21st century prosperity for America.

No nation in history has had the opportunity and the responsibility we now have to shape a world that is more peaceful, more secure, more free. All Americans can be proud that our leadership helped to bring peace in Northern Ireland. All Americans can be proud that our leadership has put Bosnia on the path to peace, and with our NATO allies, we are pressing the Serbian Government to stop its brutal repression in Kosovo, to bring those responsible to justice and to give the people of Kosovo the self-government they deserve.

All Americans can be proud that our leadership renewed hope for lasting peace in the Middle East. Some of you were with me last December as we watched the Palestinian National Council completely renounce its call for the destruction of Israel. Now I ask Congress to provide resources so that all parties can implement the Wye Agreement, to protect Israel's security, to stimulate the Palestinian economy, to support our friends in Jordan. We must not, we dare not, let them down. I hope you will help.

As we work for peace, we must also meet threats to our Nation's security, including increased dangers from outlaw nations and terrorism. We will defend our security wherever we are threatened, as we did this summer when we struck at Osama bin Laden's network of terror. The bombing of our embassies in Kenya and Tanzania reminds us again of the risks faced every day by those who represent America to the world. So let us give them the support they need, the safest possible workplaces, and the resources they must have so America can continue to lead.

We must work to keep terrorists from disrupting computer networks. We must work to prepare local communities for biological and chemical emergencies, to support research into vaccines and treatments.

We must increase our efforts to restrain the spread of nuclear weapons and missiles from Korea to India and Pakistan. We must expand our work with Russia, Ukraine and other former Soviet nations to safeguard nuclear materials and technology so they never fall into the wrong hands.

Our balanced budget will increase funding for these critical efforts by almost two-thirds over the next 5 years. With Russia, we must continue to reduce our nuclear arsenals. The START II Treaty and the framework we have already agreed to for START III could cut them by 80 percent from their Cold War height.

It has been 2 years since I signed the Comprehensive Test Ban Treaty. If we do not do the right thing, other nations will not either. I ask the Senate to take this vital step: Approve the Treaty now to make it harder for other nations to develop nuclear arms and to make sure we can end nuclear testing forever.

For nearly a decade, Iraq has defied its obligations to destroy its weapons of terror and the missiles to deliver them. America will continue to contain Saddam and we will work for the day when Iraq has a government worthy of its people.

Last month, in our action over Iraq, our troops were superb. Their mission was so flawlessly executed that we risk taking for granted the bravery and the skill it required. Captain Jeff Taliaferro, a 10-year veteran of the Air Force, flew a B–1B bomber over Iraq as we attacked Saddam's war machine. He is here with us tonight. I would like to ask you to honor him and all the 33,000 men and women of Operation Desert Fox.

It is time to reverse the decline in defense spending that began in 1985. Since April, together we have added nearly $6 billion to maintain our military readiness. My balanced budget calls for a sustained increase over the next 6 years for readiness, for modernization and for pay and benefits for our troops and their families.

We are the heirs of a legacy of bravery represented in every community in America by millions of our veterans. America's defenders today still stand ready at a moment's notice to go where comforts are few and dangers are many, to do what needs to be done as no one else can. They always come through for America. We must come through for them.

The new century demands new partnerships for peace and security.

The United Nations plays a crucial role, with allies sharing burdens America might otherwise bear alone. America needs a strong and effective U.N. I want to work with this new Congress to pay our dues and our debts.

We must continue to support security and stability in Europe and Asia, expanding NATO and defining its new missions, maintaining our alliance with Japan, with Korea, with our other Asian allies, and engaging China.

In China last year, I said to the leaders and the people what I would like to say again tonight. Stability can no longer be bought at the expense of liberty. But I would also like to say again to the American people, it is important not to isolate China. The more we bring China into the world, the more the world will bring change and freedom to China.

Last spring, with some of you, I traveled to Africa, where I saw democracy and reform rising but still held back by violence and disease. We must fortify African democracy and peace by launching radio democracy for Africa, supporting the transition to democracy now beginning to take place in Nigeria, and passing the African Trade and Development Act.

We must continue to deepen our ties to the Americas and the Caribbean, our common work to educate children, fight drugs, strengthen democracy, and increase trade.

In this hemisphere, every government but one is freely chosen by its people. We are determined that Cuba, too, will know the blessings of liberty.

The American people have opened their hearts and their arms to our Central American and Caribbean neighbors who have been so devastated by the recent hurricanes. Working with Congress, I am committed to help them rebuild.

When the First Lady and Tipper Gore visited the region, they saw thousands of our troops and thousands of American volunteers. In the Dominican Republic, Hillary helped to rededicate a

hospital that had been rebuilt by Dominicans and Americans working side by side.

With her was someone else who has been very important to the relief efforts. You know, sports records are made and sooner or later they are broken. But making other people's lives better and showing our children the true meaning of brotherhood, that lasts forever. So for far more than baseball, Sammy Sosa, you are a hero of two countries.

So I say to all of you, if we do these things, if we pursue peace, fight terrorism, increase our strength, renew our alliances, we will begin to meet our Nation's historic responsibility to build a stronger 21st century America in a freer, more peaceful world.

As the world has changed, so have our own communities. We must make them safer, more livable and more united. This year we will reach our goal of 100,000 community police officers ahead of schedule and under budget.

The Brady Bill has stopped a quarter million felons, fugitives, and stalkers from buying handguns. Now the murder rate is the lowest in 30 years, and the crime rate has dropped for 6 straight years.

Tonight I propose a 21st century crime bill to deploy the latest technologies and tactics to make our communities even safer. Our balanced budget will help to put up to 50,000 more police on the street in the areas hardest hit by crime and to equip them with new tools, from crime-mapping computers to digital mug shots.

We must break the deadly cycle of drugs and crime. Our budget expands support for drug testing and treatment, saying to prisoners, if you stay on drugs, you have to stay behind bars. And to those on parole, if you want to keep your freedom, you must stay free of drugs.

I ask Congress to restore the 5-day waiting period for buying a handgun and extend the Brady Bill to prevent juveniles who commit violent crimes from buying a gun.

We must do more to keep our schools the safest places in our communities. Last year, every American was horrified and heartbroken by the tragic killings in Jonesboro, Paducah, Pearl, Edinboro, and Springfield.

We were deeply moved by the courageous parents now working to keep guns out of the hands of children and making efforts so that other parents do not have to live through their loss.

After she lost her daughter, Suzann Wilson of Jonesboro, Arkansas, came here to the White House with a powerful plea. She said, ''Please, please for the sake of your children, lock up your guns. Don't let what happened in Jonesboro happen in your town.'' It is a message she is passionately advocating every day.

Suzann is here with us tonight with the First Lady. I would like to thank her for her courage and her commitment. Thank you.

In memory of all the children who lost their lives to school violence, I ask you to strengthen the Safe and Drug-Free School Act, to pass legislation to require child trigger locks, to do everything possible to keep our children safe.

A century ago, President Theodore Roosevelt defined our ''great central task'' as ''leaving this land even a better land for our descendants than it is for us.''

Today we are restoring the Florida Everglades, saving Yellowstone, preserving the red-rock canyons of Utah, protecting California's redwoods and our precious coasts. But our most fateful new challenge is the threat of global warming.

1998 was the warmest year ever recorded. Last year's heat waves, floods, and storms are but a hint of what future generations may endure if we do not act now.

Tonight, I propose a new Clean Air Fund to help communities reduce greenhouse and other pollution, and tax incentives and investment to spur clean energy technology, and I want to work with Members of Congress in both parties to reward companies who take early, voluntary action to reduce greenhouse gases.

Now, all our communities face a preservation challenge as they grow, and green space shrinks. Seven thousand acres of farmland and open space are lost every day.

In response, I propose two major initiatives: first, a $1 billion Livability Agenda to help communities save open space, ease traffic congestion and grow in ways that enhance every citizen's quality of life; and, second, a $1 billion Lands Legacy Initiative to preserve places of natural beauty all across America, from the most remote wilderness to the nearest city park.

These are truly landmark initiatives, which could not have been developed without the visionary leadership of the Vice President, and I want to thank him very much for his commitment here. Thank you.

Now, to get the most out of your community, you have to give something back. That is why we created AmeriCorps, our national service program, that gives today's generation a chance to serve their communities and earn money for college. So far, in just 4 years, 100,000 young Americans have built low-income homes with Habitat for Humanity, helped to tutor children, with churches, worked with FEMA to ease the burden of natural disasters, and performed countless other acts of service that have made America better. I ask Congress to give more young Americans the chance to follow their lead and serve America in AmeriCorps.

Now, we must work to renew our national community as well for the 21st century. Last year, the House passed the bipartisan campaign finance reform legislation sponsored by Representatives SHAYS and MEEHAN and Senators MCCAIN and FEINGOLD. But a partisan minority in the Senate blocked reform. So I would like to say to the House, pass it again, quickly; and I would like to say to the Senate, I hope you will say yes to a stronger American democracy in the year 2000.

Since 1997, our Initiative on Race has sought to bridge the divides between and among our people. In its report last fall, the Initiative's Advisory Board found that Americans really do want to bring our people together across racial lines. We know it has been a long journey. For some it goes back to before the beginning of our Republic; for others, back since the Civil War; for others, throughout the 20th century. But for most of us alive today, in a very real sense, this journey began 43 years ago, when a woman named Rosa Parks sat down on a bus in Alabama and wouldn't get up. She is sitting down with the First Lady tonight, and she may get up or not as she chooses. We thank her.

We know that our continuing racial problems are aggravated, as the Presidential Initiative said, by opportunity gaps. The initiative I have outlined tonight will help to close them. But we know that the discrimination gap has not been fully closed either. Discrimination or violence because of race or religion, ancestry or gender, disability or sexual orientation, is wrong, and it ought to be illegal. Therefore, I ask Congress to make the Employment Nondiscrimination Act and the Hate Crimes Prevention Act the law of the land.

You know, since every person in America counts, every American ought to be counted. We need a census that uses modern scientific methods to do that.

Our new immigrants must be part of our One America. After all, they are revitalizing our cities, they are energizing our culture, they are building up our economy. We have a responsibility to make them welcome here, and they have a responsibility to enter the mainstream of American life. That means learning English and learning about our democratic system of government.

There are now long waiting lines of immigrants that are trying to do just that. Therefore, our budget significantly expands our efforts to help them meet their responsibility. I hope you will support it.

Whether our ancestors came here on the Mayflower or on slave ships, whether they came to Ellis Island or LAX in Los Angeles, whether they came yesterday or walked this land 1,000 years ago, our great challenge for

the 21st century is to find a way to be One America. We can meet all the other challenges, if we can go forward as One America.

You know, barely more than 300 days from now, we will cross that bridge into the new millennium. This is a moment, as the First Lady has said, to honor the past and imagine the future. I would like to take just a minute to honor her for leading our Millennium Project, for all she has done for our children, for all she has done in her historic role to serve our Nation and our best ideals at home and abroad. I honor her.

Last year, I called on Congress and every citizen to mark the millennium by saving America's treasures. Hillary has traveled all across the country to inspire recognition and support for saving places like Thomas Edison's invention factory and Harriet Tubman's home.

Now we have to preserve our treasures in every community, and tonight, before I close, I want to invite every town, every city, every community, to become a nationally recognized millennium community, by launching projects that save our history, promote our arts and humanities, prepare our children for the 21st century.

Already the response has been remarkable, and I want to say a special word of thanks to our private sector partners and to Members in Congress of both parties for their support. Just one example: Because of you, the Star Spangled Banner will be preserved for the ages.

In ways large and small, as we look to the millennium, we are keeping alive what George Washington called ''the sacred fire of liberty.''

Six years ago, I came to office in a time of doubt for America, with our economy troubled, our deficit high, our people divided. Some even wondered whether our best days were behind us.

But across this country, in 1,000 neighborhoods, I had seen, even amidst the pain and uncertainty of recession, the real heart and character of America. I knew then that we Americans could renew this country.

Tonight, as I deliver the last State of the Union address of the 20th century, no one anywhere in the world can doubt the enduring resolve and boundless capacity of the American people to work toward that ''more perfect union'' of our founders' dream.

We are now at the end of a century when generation after generation of Americans answered the call to greatness, overcoming Depression, lifting up the dispossessed, bringing down barriers to racial prejudice, building the largest middle class in history, winning two World Wars in the ''long twilight struggle'' of the Cold War. We must all be profoundly grateful for the magnificent achievements of our forebears in this century.

Yet perhaps in the daily press of events, in the clash of controversy, we don't see our own time for what it truly is, a new dawn for America. Ten years from tonight, another American President will stand in this place and report on the State of the Union. He, or she, will look back on a 21st century shaped in so many ways by the decisions we make here and now.

So let it be said of us then that we were thinking not only of our time, but of their time; that we reached as high as our ideals; that we put aside our divisions and found a new hour of healing and hopefulness; that we joined together to serve and strengthen the land we love.

My fellow Americans, this is our moment. Let us lift our eyes as one nation, and from the mountain top of this American century, look ahead to the next one, asking God's blessing on our endeavors and on our beloved country.

Thank you, and good evening.

(Applause, the Members rising.)

At 10 o'clock and 27 minutes p.m. the President of the United States, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Deputy Sergeant at Arms escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet;

The Associate Justices of the Supreme Court of the United States;

The Acting Dean of the Diplomatic Corps.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 10 o'clock and 32 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

MESSAGE OF THE PRESIDENT REFERRED TO THE COMMITTEE OF THE WHOLE HOUSE ON THE STATE OF THE UNION

Mr. THUNE. Mr. Speaker, I move that the message of the President be referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

The motion was agreed to.

SPECIAL ORDERS GRANTED

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

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

Mr. HOYER for 5 minutes today.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. DUNCAN, for 5 minutes, today.

Mr. ROYCE, for 5 minutes, today.

Mr. DREIER, for 5 minutes, today.

Mr. BLILEY, for 5 minutes, today.

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

Mr. SMITH of Michigan, for 5 minutes, today.

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

Mr. WELLER, for 5 minutes, today.

ADJOURNMENT

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

The motion was agreed to.

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 11 of the 106th Congress, the House stands adjourned until 12:30 p.m. Tuesday, February 2, 1999, for morning hour debates or, under the previous order of the House, until 2 p.m. tomorrow, unless the House sooner receives a message from the Senate transmitting its concurrence in House Concurrent Resolution 11.

Thereupon (at 10 o'clock and 34 minutes p.m.) pursuant to House Concurrent Resolution 11, the House adjourned until Tuesday, February 2, 1999, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

26. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Veterinary Services User Fees; Embryo Collection Center Approval Fee [Docket No. 98–005–2] received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

27. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Tart Cherries Grown in the States of Michigan, et al.; Final Free and Restricted Percentages for the 1998–99 Crop Year for Tart Cherries [Docket No. FV98–930–1 FR] received January 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

28. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Department's final rule—General Administrative Regulations; Interpretations of Statutory and Regulatory Provisions—received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

29. A letter from the Deputy Under Secretary for Natural Resources and Environment, Department of Agriculture, transmitting the Department's final rule—Small Business Timber Sale Set-aside Program; Appeal Procedures On Recomputation Of Shares—received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

30. A letter from the Administrator, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting the Department's final rule —Disaster Set-Aside Program—Second Installment Set-Aside (RIN: 0560–AF65) received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

31. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Organization and Operations of Federal Credit Unions—received December 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

32. A letter from the Secretary of Education, transmitting the annual report of the National Advisory Committee on Institutional Quality and Integrity for fiscal year 1998, pursuant to Public Law 102—325, section 1203 (106 Stat. 794); to the Committee on Education and the Workforce.

33. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Mojave Desert Air Quality Management District [CA 207–0106a; FRL 6211–1] received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

34. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision Antelope Valley Air Pollution Control District [CA–207–0088; FRL; 6211–2] received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

35. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—1998 Reporting Notice and Amendment; Partial Updating of TSCA Inventory Data Base, Production and Site Reports [OPPTS–82052; FRL–6052–7] received December 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

36. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Kentucky; Approval of Revisions to Basic Motor Vehicle Inspection and Maintenance Program [KY98–9808a; FRL–6199–1] received December 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

37. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Antelope Valley Air Pollution Control District [CA 211–0116a; FRL–6214–1] received December 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

38. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan Louisiana; Nonattainment Major Stationary Source Revision [LA40–1–7338a; FRL–6207–8] received December 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

39. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or Superfund, Section 104 [FRL–6220–7] received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

40. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Ventura County Air Pollution Control District [CA 095–0107; FRL–6213–9] received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

41. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL161–1a; FRL–6216–4] received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

42. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Illinois [IL176–1a; FRL–6215–3] received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

43. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Joaquin Valley Unified Air Pollution Control District [CA 207–0121; FRL–6214–5] received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

44. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 25 of the Cable Television Consumer Protection and Competition Act of 1992 [MM Docket 93–25] received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

45. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule— 1998 Biennial Regulatory Review—Amendment of Parts 73 and 74 Relating to Call Sign Assignments for Broadcast Stations [MM Docket No. 98–98] received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

46. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's final rule—Guides for the Decorative Wall Paneling Industry—received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

47. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(b); to the Committee on International Relations.

48. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 99–2: Determination and Certification for Fiscal Year 1999 concerning Argentina's and Brazil's termination of eligibility Under Section 102(a)(2) of the Arms Export Control Act, pursuant to 22 U.S.C. 2799aa—2; to the Committee on International Relations.

49. A communication from the President of the United States, transmitting a report to the Congress on the Strategic Concept of NATO; to the Committee on International Relations.

50. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report entitled, ''Report on Withdrawal of Russian Armed Forces and Military Equipment''; to the Committee on International Relations.

51. A letter from the NARA Regulatory Policy Official, National Archives and Records Administration, transmitting the Administration's final rule—Privacy Act Regulations (RIN: 3095–AA66) received December 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

52. A letter from the Secretary, Postal Rate Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

53. A letter from the Secretary of Defense, transmitting the semiannual report of the Inspector General and classified annex for the period ending September 30, 1998, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

54. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Red Snapper Bag Limit Reduction [Docket No. 981224322–8322–01; I.D. 122298A] (RIN: 0648–AK97) received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

55. A letter from the Director, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—High Seas Fishing Compliance Act; Vessel Identification and Reporting Requirements; OMB Control Numbers [Docket No. 980602143–8309–02; I.D. 040197B] (RIN: 0648–AI99) received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

56. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Incentive Grants for Alcohol-Impaired Driving Prevention Programs [Docket No. NHTSA–98–4942] (RIN: 2127–AH42) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

57. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Truck Size and Weight; National Network; North Dakota [FHWA Docket No. 98–3467] (RIN: 2125–AE36) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

58. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Navigable waters within

the First Coast Guard District [CGD1–98–151] (RIN: 2115–AE84) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

59. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regattas and Marine Parades [CGD 95–054] (RIN: 2115–AF17) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

60. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Temporary Drawbridge Regulations; Mississippi River, Iowa and Illinois [CGD 08–98–077] (RIN: 2115–AE47) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

61. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Emergency Control Measures for Tank Barges [USCG 1998–4443] (RIN: 2115–AF65) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

62. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 B4–600R and A300 F4–600R Series Airplanes [Docket No. 98–NM–361–AD; Amendment 39–10956; AD 98–25–53] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

63. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company Models 1900, 1900C, and 1900D Airplanes [Docket No. 97–CE–153–AD; Amendment 39–10959; AD 98–26–16] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

64. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310 and A300–600 Series Airplanes Equipped with Pratt & Whitney JT9D–7R4 or 4000 Series Engines [Docket No. 98–NM–358–AD; Amendment 39–10952; AD 98–25–51] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

65. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–9–10, -20, -30, -40, and -50 Series Airplanes, and C–9 (Military) Airplanes [Docket No. 97–NM–56–AD; Amendment 39–10948; AD 98–26–08] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

66. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Jetstream Model 3201 Airplanes [Docket No. 98–CE–75–AD; Amendment 39–10960; AD 98–26–17] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

67. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—IFR Altitudes; Miscellaneous Amendments [Docket No. 29418; Amdt. No. 413] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

68. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McCauley Propeller Systems Models 2A36C23/84B–0 and 2A36C82/84B–2 Propellers [Docket No. 98–ANE–34–AD; Amendment 39–10939, AD 98–25–13] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

69. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace (Operations) Limited Model B.121 Series 1,2, and 3 Airplanes [Docket No. 97–CE–122–AD; Amendment 39–10946; AD 98–26–05] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

70. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce Limited, Bristol Engines Division, Viper Models Mk.521 and Mk.522 Turbojet Engines [Docket No. 98–ANE–01–AD; Amendment 39–10947; AD 98–26–07] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

71. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes [Docket No. 98–NM–239–AD; Amendment 39–10951; AD 98–26–11] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

72. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dassault Model Mystere-Falcon 20 Series Airplanes, Fan Jet Falcon Series Airplanes, and Fan Jet Falcon Series D,E, and F Series Airplanes [Docket No. 98–NM–221–AD; Amendment 39–10950; AD 98–26–10] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

73. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC9–10,-20,-30,-40, and -50 Series Airplanes, and C–9 (Military) Airplanes [Docket No. 98–NM–06–AD; Amendment 39–10949; AD 98–26–09] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

74. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 97–NM–59–AD; Amendment 39–10954; AD 98–26–13] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

75. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Roswell, NM [Airspace Docket No. 98–ASW–53] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

76. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model CL–600–2B19 (Regional Jet Series 100 and 200) Series Airplanes [Docket No. 98–NM–330–AD; Amendment 39–10955; AD 98–26–14] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

77. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes [Docket No. 98–NM–290–AD; Amendment 39–10953; AD 98–26–12] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

78. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace (Jetstream) Model 4101 Airplanes [Docket No. 97–NM–195–AD; Amendment 39–10958; AD 98–26–15] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

79. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class D and E Airspace, Amendment to Class D and E Airspace; Montgomery, AL [Airspace Docket No. 98–ASO–12] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

80. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Burnet, TX [Airspace Docket No. 98–ASW–48] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

81. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Austin, TX [Airspace Docket No. 98–ASW–49] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

82. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Taylor, TX [Airspace Docket No. 98–ASW–50] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

83. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Austin, Horseshoe Bay, TX and Revocation of Class E Airspace, Marble Falls, TX [Airspace Docket No. 98–ASW–51] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

84. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; San Angelo, TX [Airspace Docket No. 98–ASW–52] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

85. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Truck Size and Weight; Technical Corrections (RIN: 2125–AE47) received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

86. A letter from the General Counsel, Department of Transportation, transmitting

the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29404; Amdt. No. 1904] (RIN: 2120–AA65) received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

87. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29416; Amdt. No. 1905] (RIN: 2120–AA65) received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

88. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29417; Amdt. No. 1906] (RIN: 2120–AA65) received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

89. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company Models 1900, 1900C, and 1900D Airplanes [Docket No. 98–CE–23–AD; Amendment 39–10970; 99–01–03] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

90. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; All Airplane Models of The New Piper Aircraft, Inc. (formerly Piper Aircraft Corporation) That Are Equipped with Wing Lift Struts [Docket No. 96–CE–72–AD; Amendment 39–10972; AD 99–01–05] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

91. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Jetstream Model 3101 Airplanes [Docket No. 98–CE–99–AD; Amendment 39–10973; AD 99–01–06] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

92. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Jetstream Model 3101 Airplanes [Docket No. 98–CE–100–AD; Amendment 39–10974; AD 99–01–07] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

93. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney JT8D and JT3D Series Turbofan Engines [Docket No. 98–ANE–77–AD; Amendment 39–10975; AD 99–01–08] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

94. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Winchester, VA [Airspace Docket No. 98–AEA–42] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

95. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Milton, WV [Airspace Docket No. 98–AEA–41] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

96. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Wise, VA [Airspace Docket No. 98–AEA–39] received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

97. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 98–NM–327–AD; Amendment 39–10976; AD 99–01–10] (RIN: 2120–AA64) received January 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

98. A letter from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Administrative Revisions to the NASA FAR Supplement, MidRange Procurement Procedures—received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

99. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Revenue Procedure 99–7] received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

100. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Optional Standard Mileage Rates for Employees, Self-employed Individuals, and Other Taxpayers Used in Computing Deductible Costs [Announcement 99–7] received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

101. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Agency's final rule—Consolidated returns—Limitation on recapture of overall foreign loss accounts [TD 8800] (RIN: 1545–AW51) received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

102. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Agency's final rule—Weighted Average Interest Rate Update [Notice 98–64] received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

103. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Consolidated returns—Limitations on recapture of overall foreign loss accounts [TD 8800] (RIN: 1545–AW51) received December 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

104. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Modification of Rev. Proc. 65–17, 1965–1 C.B. 833 [Announcement 99–1] received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

105. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property—received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

106. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters [Rev. Proc. 99–3] received December 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

107. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Eligible Rollover Distributions [Notice 99–5] received December 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

108. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Alternative Methods for Reporting 1998 and 1999 IRA Recharacterizations and Reconversions [Announcement 99–5] received December 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

109. A letter from the Chief, Regulations Branch, U.S. Customs Service, transmitting the Service's final rule—Exemption of Israeli Products From Certain Customs User Fees [T.D. 99–1] (RIN: 1515–AC39) received January 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

10. A communication from the President of the United States, transmitting the Annual Report to the Congress on Foreign Economic Collection and Industrial Espionage; to the Committee on Intelligence (Permanent Select).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

[Filed on January 2, 1999]

Mr. TALENT: Committee on Small Business. Summary of Activities of the Committee on Small Business, 105th Congress (Rept. 105–849). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on House Oversight. Report on the Activities of the Committee on House Oversight of the House of Representatives During the One Hundred Fifth Congress (Rept. 105–850). Referred to the Committee of the Whole House on the State of the Union.

[Filed on January 3, 1999]

Mr. COX: Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China. Report of the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China (Rept. 105–851). Referred to the Committee of the Whole House on the State of the Union.

[Submitted January 19, 1999]

Mr. TALENT: Committee on Small Business. H.R. 68. A bill to amend section 20 of the Small Business Act and make technical corrections in Title III of the Small Business Investment Act (Rept. 106–1). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. LEVIN (for himself, Mr. SHAW, Mr. LEWIS of Georgia, Mr. CAMPBELL, Mr. MASCARA, Mr. SANDERS, Mr. MCCOLLUM, Mr. PAUL, Mrs. MORELLA, Mr. HOLDEN, Mrs. MEEK of Florida, Mr. OBERSTAR, Mr. KILDEE, Mr. ENGLISH of Pennsylvania, Mrs. MALONEY of New York, Mr. GEJDENSON, Mr. BROWN of Ohio, Ms. HOOLEY of Oregon, Mr. WEYGAND, Mr. COYNE, Mr. RAHALL, Mr. MATSUI, Mr. CONDIT, Mr. FORD, Mr. VENTO, and Mr. BALDACCI):

H.R. 323. A bill to amend the Internal Revenue Code of 1986 to permanently extend the exclusion for employer-provided educational assistance and to restore the exclusion for graduate level educational assistance; to the Committee on Ways and Means.

By Mr. LEVIN:

H.R. 324. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts received as scholarships by an individual under the National Health Service Corps Scholarship Program; to the Committee on Ways and Means.

By Mr. BONIOR (for himself, Mr. GEPHARDT, Mr. FROST, Mr. MENENDEZ, Ms. DELAURO, Mr. LEWIS of Georgia, Mr. KENNEDY, Mr. CLAY, Mr. GEORGE MILLER of California, Mr. OWENS, Mr. ACKERMAN, Mr. ANDREWS, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Ms. BERKLEY, Mr. BERMAN, Mr. BLAGOJEVICH, Ms. BROWN of Florida, Mr. BROWN of Ohio, Mr. CAPUANO, Mr. CARDIN, Ms. CARSON, Mrs. CLAYTON, Mr. CONYERS, Mr. COSTELLO, Mr. COYNE, Mr. DAVIS of Illinois, Mr. DELAHUNT, Mr. DINGELL, Mr. FALEOMAVAEGA, Mr. FILNER, Mr. FORD, Mr. FRANK of Massachusetts, Mr. GEJDENSON, Mr. GONZALEZ, Mr. GREEN of Texas, Mr. GUTIERREZ, Mr. HALL of Ohio, Mr. HINCHEY, Mr. JEFFERSON, Ms. KAPTUR, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECZKA, Mr. KLINK, Mr. LAFALCE, Ms. LEE, Mr. LEVIN, Mrs. LOWEY, Mr. MARKEY, Mr. MATSUI, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mrs. MINK of Hawaii, Mr. NADLER, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBEY, Mr. OLVER, Mr. PALLONE, Mr. PAYNE, Ms. PELOSI, Mr. RAHALL, Mr. RANGEL, Mr. ROTHMAN, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SHERMAN, Ms. SLAUGHTER, Mr. STARK, Mr. TOWNS, Mr. VENTO, Mr. WAXMAN, Mr. WEXLER, Ms. WOOLSEY, and Mr. WYNN):

H.R. 325. A bill to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage; to the Committee on Education and the Workforce.

By Mr. ARCHER (for himself, Mr. RANGEL, Mr. CRANE, and Mr. LEVIN):

H.R. 326. A bill to make miscellaneous and technical changes to various trade law, and for other purposes; to the Committee on Ways and Means.

By Mr. ADERHOLT (for himself and Mr. BACHUS):

H.R. 327. A bill to provide for the assessment of additional antidumping duties prior to the effective date of an antidumping order issued under the Tariff Act of 1930 with respect to steel products; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 328. A bill to prevent the implementation of parity payments and certain marketing quotas under the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, to reduce the amounts available for payments under production flexibility contracts entered into under the Agricultural Market Transition Act, and to shorten the period during which such payments will be made; to the Committee on Agriculture.

By Mr. ANDREWS (for himself, Ms. DELAURO, and Mr. WELDON of Pennsylvania):

H.R. 329. A bill to provide that children's sleepwear shall be manufactured in accordance with stricter flammability standards; to the Committee on Commerce.

By Mr. FOSSELLA:

H.R. 330. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates by 30 percent; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 331. A bill to amend the Federal Election Campaign Act of 1971 to provide for public funding for House of Representatives elections, and for other purposes; to the Committee on House Administration.

H.R. 332. A bill to terminate the authorities of the Overseas Private Investment Corporation; to the Committee on International Relations.

H.R. 333. A bill to amend title 11 of the United States Code to modify the application of chapter 7 relating to liquidation cases; to the Committee on the Judiciary.

H.R. 334. A bill to amend the Immigration and Nationality Act to provide for the deportation of aliens who associate with known terrorists; to the Committee on the Judiciary.

H.R. 335. A bill to amend section 207 of title 18, United States Code, to increase to 5 years the period during which former Members of Congress may not engage in certain lobbying activities; to the Committee on the Judiciary.

H.R. 336. A bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in tax enterprise zone businesses and domestic businesses; to the Committee on Ways and Means.

H.R. 337. A bill to amend the Internal Revenue Code of 1986 to exempt from income tax the gain from the sale of a business closely held by an individual who has attained age 62, and for other purposes; to the Committee on Ways and Means.

H.R. 338. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax to C corporations which have substantial employee ownership and to encourage stock ownership by employees by excluding from gross income stock paid as compensation for services, and for other purposes; to the Committee on Ways and Means.

H.R. 339. A bill to amend the Internal Revenue Code of 1986 to provide an inflation adjustment of the dollar limitation on the exclusion of gain on the sale of a principal residence; to the Committee on Ways and Means.

H.R. 340. A bill to amend the Internal Revenue Code of 1986 to expand the incentives for the construction and renovation of public schools; to the Committee on Ways and Means.

H.R. 341. A bill to establish a Fund for Environmental Priorities to be funded by a portion of the consumer savings resulting from retail electricity choice, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 342. A bill to amend the Controlled Substances Act to provide penalties for open air drug markets, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 343. A bill to protect the Social Security system and to amend the Congressional Budget Act of 1974 to require a two-thirds vote for legislation that changes the discretionary spending limits or the pay-as-you-go provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 if the budget for the current year (or immediately preceding year) was not in surplus; to the Committee on Ways and Means, and in addition to the Committees on the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARRETT of Nebraska:

H.R. 344. A bill to modify the project for flood control, Wood River, Grand Island, Nebraska; to the Committee on Transportation and Infrastructure.

By Mr. BARTLETT of Maryland:

H.R. 345. A bill to authorize the President to issue a posthumous Army commission in the grade of captain in the Chaplains Corps to Ella E. Gibson, who served as chaplain of the First Wisconsin Heavy Artillery regiment during the Civil War; to the Committee on Armed Services.

H.R. 346. A bill to prohibit the payment to the United Nations of any contributions by the United States until United States overpayments to such body have been properly credited or reimbursed; to the Committee on International Relations.

H.R. 347. A bill to protect the right to obtain firearms for security, and to use firearms in defense of self, family, or home, and to provide for the enforcement of such right; to the Committee on the Judiciary.

H.R. 348. A bill to authorize the construction of a monument to honor those who have served the Nation's civil defense and emergency management programs; to the Committee on Resources.

By Mr. BENTSEN:

H.R. 349. A bill to amend the Act commonly called the ''Flag Code'' to add the Martin Luther King, Jr. holiday to the list of days on which the flag should especially be displayed; to the Committee on the Judiciary.

By Mr. CONDIT (for himself, Mr. PORTMAN, Mr. MORAN of Virginia, Mr. DAVIS of Virginia, Mr. BISHOP, Mr. DREIER, Ms. DANNER, Mr. HASTERT, Mr. STENHOLM, Mr. LINDER, Mr. CRAMER, Mr. ARMEY, Mr. HALL of Texas, Mr. GOSS, Mr. MCINTYRE, Mr. DELAY, Mr. GOODE, Ms. PRYCE of Ohio, Mr. BENTSEN, Mr. WATTS of Oklahoma, Mr. TANNER, Mr. HASTINGS of Washington, Mr. TURNER, Mr. KASICH, Mrs. MYRICK, Mr. SESSIONS, Mr. REYNOLDS, Mr. BONILLA, Mr. BOEHNER, Mr. SUNUNU, Mr. RILEY, Mr. HOBSON, Mr. CHABOT, Mr. NORWOOD, and Mr. HAYES):

H.R. 350. A bill to improve congressional deliberation on proposed Federal private sector mandates, and for other purposes; to the Committee on Rules.

By Mr. BILIRAKIS (for himself, Mr. FRANKS of New Jersey, Mr. FOLEY, Mr. SANDERS, Mr. MILLER of Florida, Mr. HALL of Texas, Mr. COOKSEY, and Mr. DEUTSCH):

H.R. 351. A bill to prohibit the Secretary of Health and Human Services from treating any Medicaid-related funds recovered as part of State litigation from one or more tobacco companies as an overpayment under the Medicaid Program; to the Committee on Commerce.

By Mr. BLUNT (for himself, Mr. BENTSEN, Mr. HILL of Montana, Mr. FROST, Mr. MCCOLLUM, Mr. TAYLOR of North Carolina, Mr. SCHAFFER, Mr. MORAN of Kansas, Mrs. KELLY, Mrs. MYRICK, Mr. THUNE, Mr. LATOURETTE, Mr. SANDLIN, Mr. DELAHUNT, Mr. PETERSON of Pennsylvania, Mr. PITTS, Mr. HUTCHINSON, Mrs. EMERSON, Mr. COOK, Mr. METCALF, Mr. HINCHEY, Mr. YOUNG of Alaska, Mr. PASCRELL, Mr. SKEEN, Mr. BRADY of Texas, Mrs. CUBIN, Mr. MCCRERY, Mr. RILEY, Mr. KANJORSKI, Mr. MCINTYRE, Mr. TALENT, Mr. PAUL, Mr. LOBIONDO, Mr. HULSHOF, Mr. PICKERING, Mr. MORAN of Virginia, Mr. MANZULLO, Mr. DEAL of Georgia, Mr. ALLEN, Ms. MCCARTHY of Missouri, Mr. BALDACCI, Ms. HOOLEY of Oregon, Mr. NORWOOD, Mr. PEASE, Mr. POMEROY, Ms. KILPATRICK, Mr. SUNUNU, Mr. ENGLISH of Pennsylvania, Mr. DICKEY, Mr. WATKINS, Mr. COOKSEY, and Mr. WELLER):

H.R. 352. A bill to amend the Internal Revenue Code of 1986 to provide additional retirement savings opportunities for small employers, including self-employed individuals; to the Committee on Ways and Means.

By Mrs. CAPPS (for herself, Mr. FORBES, Mr. VENTO, Mr. OBERSTAR, Mr. EVERETT, Mr. ACKERMAN, Ms. DANNER, Mrs. THURMAN, Mr. MEEHAN, Ms. JACKSON-LEE of Texas, Mr. WEYGAND, Mr. DELAHUNT, Mr. GILMAN, Mr. BILBRAY, Ms. RIVERS, Ms. KILPATRICK, Mr. BOEHLERT, Mr. SHERMAN, Mr. HORN, Mr. COYNE, Mr. OLVER, Mr. GREEN of Texas, Ms. ESHOO, Mr. BENTSEN, Mr. KUCINICH, Mr. BALDACCI, Mr. ROTHMAN, Mr. KLECZKA, Mr. ENGLISH of Pennsylvania, Mr. RODRIGUEZ, Mr. BORSKI, Mr. MCDERMOTT, Mrs. CLAYTON, Mr. KENNEDY, and Mr. FOLEY):

H.R. 353. A bill to amend the Social Security Act to waive the 24-month waiting period for Medicare coverage of individuals disabled with amyotrophic lateral sclerosis (ALS), and to provide Medicare coverage of drugs used for treatment of ALS; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. COBLE:

H.R. 354. A bill to amend title 17, United States Code, to provide protection for certain collections of information; to the Committee on the Judiciary.

By Mr. CONDIT (for himself, Mr. POMBO, Mr. HUTCHINSON, Mr. GOODE, Mr. PETERSON of Minnesota, Mr. BISHOP, Mr. DOYLE, Mr. STUMP, Mr. MCINTYRE, Mr. SMITH of Washington, Mr. NORWOOD, Mr. STUPAK, Mrs. THURMAN, Mrs. FOWLER, Mr. GREEN of Texas, Mr. TAYLOR of Mississippi, Mr. COLLINS, Mr. LUCAS of Kentucky, Mr. MASCARA, Mr. KENNEDY, Mr. HEFLEY, Mr. JONES of North Carolina, Mr. CLEMENT, Mr. TURNER, Mr. ENGLISH of Pennsylvania, and Mr. TOWNS):

H.R. 355. A bill to amend title 10, United States Code, to provide that persons retiring from the Armed Forces shall be entitled to all benefits which were promised them when they entered the Armed Forces; to the Committee on Armed Services.

By Mr. CONDIT:

H.R. 356. A bill to provide for the conveyance of certain property from the United States to Stanislaus County, California; to the Committee on Science.

By Mr. CONYERS (for himself, Mrs. MORELLA, Ms. ROYBAL-ALLARD, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BALDACCI, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Mr. BISHOP, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BOUCHER, Mr. CAPUANO, Ms. CARSON, Mrs. CLAYTON, Mr. CLEMENT, Mr. COSTELLO, Mr. CRAMER, Mr. CUMMINGS, Ms. DEGETTE, Ms. DELAURO, Mr. DELAHUNT, Mr. DEUTSCH, Mr. EVANS, Mr. FARR of California, Mr. FILNER, Mr. FOLEY, Mr. FORD, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GILMAN, Mr. GONZALEZ, Mr. GREEN of Texas, Mr. HINCHEY, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KENNEDY, Ms. KILPATRICK, Mr. LANTOS, Mr. LEACH, Mr. LEWIS of Georgia, Ms. LOFGREN, Mrs. LOWEY, Mrs. MCCARTHY of New York, Mr. MCDERMOTT, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MEEHAN, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MORAN of Virginia, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. PALLONE, Mr. PASCRELL, Mr. PASTOR, Mr. PAYNE, Ms. PELOSI, Mr. POMEROY, Mr. RODRIGUEZ, Mr. ROMERO-BARCELO, Mr. RUSH, Mr. SANDERS, Mr. SANDLIN, Mr. SHERMAN, Ms. SLAUGHTER, Mr. STARK, Mrs. THURMAN, Mr. UNDERWOOD, Mr. VENTO, Mr. VISCLOSKY, Ms. WATERS, Mr. WAXMAN, Mr. WEINER, Mr. WEYGAND, Mr. WISE, Ms. WOOLSEY, and Mr. WYNN):

H.R. 357. A bill to prevent violence against women, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Education and the Workforce, Ways and Means, Commerce, Banking and Financial Services, Armed Services, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DINGELL (for himself, Mr. GEPHARDT, Mr. BROWN of Ohio, Mr. RANGEL, Mr. STARK, Mr. CLAY, Mr. ANDREWS, Mr. PALLONE, Ms. ESHOO, Mr. BERRY, Mr. WAXMAN, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Mr. BENTSEN, Ms. BERKLEY, Mr. BERMAN, Mr. BISHOP, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BONIOR, Mr. BORSKI, Mr. BOUCHER, Mr. BRADY of Pennsylvania, Ms. BROWN of Florida, Mr. BROWN of California, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDIN, Ms. CARSON, Mrs. CLAYTON, Mr. CLEMENT, Mr. CONYERS, Mr. COSTELLO, Mr. COYNE, Mr. CROWLEY, Mr. CUMMINGS, Mr. DAVIS of Florida, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DIXON, Mr. DOYLE, Mr. ENGEL, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FILNER, Mr. FORD, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEJDENSON, Mr. GONZALEZ, Mr. GREEN of Texas, Mr. HASTINGS of Florida, Mr. HILL of Indiana, Mr. HINCHEY, Mr. HOEFFEL, Mr. HOYER, Mr. INSLEE, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KANJORSKI, Ms. KAPTUR, Mr. KENNEDY, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECZKA, Mr. KLINK, Mr. LAFALCE, Mr. LAMPSON, Mr. LANTOS, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. MARKEY, Mr. MASCARA, Mr. MATSUI, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Mr. MCDERMOTT, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MEEHAN, Mr. MEEKS of New York, Mr. MENENDEZ, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MOORE, Mr. MURTHA, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OLVER, Mr. OWENS, Mr. PASCRELL, Mr. PASTOR, Mr. PAYNE, Ms. PELOSI, Mr. PHELPS, Mr. PRICE of North Carolina, Ms. RIVERS, Mr. RODRIGUEZ, Mr. ROMERO-BARCELO, Mr. ROTHMAN, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDLIN, Mr. SAWYER, Ms. SCHAKOWSKY, Mr. SERRANO, Mr. SHERMAN, Mr. SHOWS, Ms. SLAUGHTER, Mr. SNYDER, Mr. SPRATT, Ms. STABENOW, Mr. STRICKLAND, Mr. STUPAK, Mr. THOMPSON of Mississippi, Mr. THOMPSON of California, Mrs. THURMAN, Mr. TOWNS, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. UNDERWOOD, Ms. VELÁZQUEZ, Mr. VENTO, Mr. VISCLOSKY, Mr. WEINER, Mr. WEXLER, Mr. WEYGAND, Mr. WISE, Ms. WOOLSEY, Mr. WU, Mr. WYNN, Ms. CHRISTIAN-CHRISTENSEN, Mr. BALDACCI, Mr. GORDON, Mr. TIERNEY, Mr. BECERRA, Ms. LOFGREN, Mr. HALL of Ohio, Mrs. TAUSCHER, Mr. SCOTT, Mr. BARCIA of Michigan, Mr. HALL of Texas, Mr. OBEY, Mr. GUTIERREZ, Mr. HILLIARD, Mr. KUCINICH, Mr. BAIRD, Mrs. JONES of Ohio, and Mr. BOSWELL):

H.R. 358. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DOOLITTLE:

H.R. 359. A bill to clarify the intent of Congress in Public Law 93–632 to require the Secretary of Agriculture to continue to provide for the maintenance and operation of 18 concrete dams and weirs that were located in the Emigrant Wilderness at the time the wilderness area was designated in that Public Law; to the Committee on Resources.

By Mr. EWING (for himself, Mr. NETHERCUTT, Mr. LIPINSKI, Mr. LANTOS, Mr. SANDLIN, Mr. MATSUI, Mr. BENTSEN, Mr. JENKINS, Ms. KILPATRICK, Mr. ROMERO-BARCELO, Mr. POMEROY, Mr. EHLERS, Mr. NADLER,

Mr. HINCHEY, Mr. COOK, Mr. DELAHUNT, Mrs. MINK of Hawaii, Mr. ALLEN, Mrs. THURMAN, Mr. SMITH of New Jersey, Mr. LAFALCE, Mr. FILNER, and Mr. CONDIT):

H.R. 360. A bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare Program of insulin pumps as items of durable medical equipment; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FALEOMAVAEGA (for himself and Mr. MCINTYRE):

H.R. 361. A bill to provide for administrative procedures to extend Federal recognition to certain Indian groups, and for other purposes; to the Committee on Resources.

By Mr. FILNER:

H.R. 362. A bill to amend title 10, United States Code, to extend commissary and exchange store privileges to veterans with a service-connected disability rated at 30 percent or more and to the dependents of such veterans; to the Committee on Armed Services.

H.R. 363. A bill to amend title 10, United States Code, to repeal the two-tier annuity computation system applicable to annuities for surviving spouses under the Survivor Benefit Plan for retired members of the Armed Forces so that there is no reduction in such an annuity when the beneficiary becomes 62 years of age; to the Committee on Armed Services.

H.R. 364. A bill to amend title 38, United States Code, to provide for a Veterans' Employment and Training Bill of Rights, to strengthen preference for veterans in hiring, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 365. A bill to amend title 38, United States Code, to reauthorize the pilot program providing an opportunity for veterans to buy down the interest rate on VA loans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 366. A bill to amend the Small Business Act to establish programs and undertake efforts to assist and promote the creation, development, and growth of small business concerns owned and controlled by veterans of service in the Armed Forces, and for other purposes; to the Committee on Small Business, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRANKS of New Jersey:

H.R. 367. A bill to regulate the use by interactive computer services of Social Security account numbers and related personally identifiable information; to the Committee on Commerce.

H.R. 368. A bill to require the installation of a system for filtering or blocking matter on the Internet on computers in schools and libraries with Internet access, and for other purposes; to the Committee on Commerce.

H.R. 369. A bill to amend title 18, United States Code, to prohibit the sale of personal information about children without their parents' consent, and for other purposes; to the Committee on the Judiciary.

H.R. 370. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994 to prevent luxurious conditions in prisons; to the Committee on the Judiciary.

By Mr. VENTO:

H.R. 371. A bill to expedite the naturalization of aliens who served with special guerrilla units in Laos; to the Committee on the Judiciary.

H.R. 372. A bill to amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for that portion of a governmental pension received by an individual which does not exceed the maximum benefits payable under title II of the Social Security Act which could have been excluded from income for the taxable year; to the Committee on Ways and Means.

By Mr. FRANKS of New Jersey (for himself and Mr. RYUN of Kansas):

H.R. 373. A bill to amend the Internal Revenue Code of 1986 to allow all taxpayers who maintain households with dependents a credit for dependents; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H.R. 374. A bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to notify local law enforcement agencies of allegations of a missing patient or of certain crimes or other misconduct at medical facilities under the jurisdiction of that Secretary and to enable such agencies to investigate such allegations; to the Committee on Veterans' Affairs.

H.R. 375. A bill to amend the Comprehensive Environmental Response, Compensation, and Liablity Act of 1980 to restrict the liability under that Act of local educational agencies; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 376. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to provide that the United States Army Corps of Engineers perform contract oversight of Fund financed remedial actions under that Act; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GALLEGLY:

H.R. 377. A bill to authorize the Secretary of the Air Force to procure certain airborne firefighting equipment for the Air Force Reserve and Air National Guard; to the Committee on Armed Services.

By Mr. GILLMOR:

H.R. 378. A bill to authorize States to regulate certain solid waste; to the Committee on Commerce.

H.R. 379. A bill to permit States to prohibit the disposal of solid waste imported from other nations; to the Committee on Commerce.

By Mr. GREENWOOD (for himself, Mr. NORWOOD, Mr. WHITFIELD, Mr. BOEHLERT, Mr. HOLDEN, Mr. WEYGAND, Mr. HINCHEY, Mr. BOUCHER, Mr. TIERNEY, Mr. KENNEDY, Mr. ENGLISH of Pennsylvania, Mr. BURR of North Carolina, Mr. SHAYS, Mr. NEY, Mr. GEJDENSON, Mr. PETERSON of Pennsylvania, Mr. ANDREWS, Mr. OXLEY, Mr. ALLEN, Mr. PRICE of North Carolina, Mr. PALLONE, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. METCALF, Mr. HOBSON, Mr. ACKERMAN, Mr. KING of New York, Mr. MCNULTY, Mr. BROWN of Ohio, Mr. BASS, Mr. RANGEL, Mr. STUPAK, Mr. FRANKS of New Jersey, Mr. GIBBONS, Ms. DELAURO, Mr. MICA, Mrs. MORELLA, Mr. KLINK, Mrs. MCCARTHY of New York, Mrs. MYRICK, Mr. GOODE, Mr. CARDIN, Mr. TOWNS, and Mr. CROWLEY):

H.R. 380. A bill to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public, and for other purposes; to the Committee on Commerce.

By Mr. GREENWOOD (for himself, Mr. BOEHLERT, Mrs. JOHNSON of Connecticut, and Mr. SHAYS):

H.R. 381. A bill to require the Secretary of the Interior to establish a program to provide assistance in the conservation of neotropical migratory birds; to the Committee on Resources.

By Mr. GUTIERREZ (for himself, Mr. VENTO, Mr. BECERRA, Mr. FILNER, Mr. HINCHEY, Mr. OWENS, Mr. RODRIGUEZ, Mr. ROMERO-BARCELO, Mr. STARK, and Mr. ORTIZ):

H.R. 382. A bill to amend the Electronic Fund Transfer Act to require additional disclosures relating to exchange rates in transfers involving international transactions; to the Committee on Banking and Financial Services.

By Mrs. KELLY:

H.R. 383. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer, and coverage for secondary consultations; to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. KILPATRICK (for herself, Mr. BISHOP, Mr. BLAGOJEVICH, Ms. BROWN of Florida, Mr. BROWN of Ohio, Ms. CARSON, Mr. FORD, Mr. GREEN of Texas, Ms. LEE, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mrs. MINK of Hawaii, and Mr. SANDLIN):

H.R. 384. A bill to authorize the President to award a gold medal on behalf of the Congress honoring Wilma G. Rudolph in recognition of her enduring contributions to humanity and women's athletics in the United States and the world; to the Committee on Banking and Financial Services.

By Ms. KILPATRICK (for herself, Mrs. CLAYTON, Mr. DELAHUNT, Mr. FALEOMAVAEGA, Mr. FROST, Mr. HASTINGS of Florida, Ms. HOOLEY of Oregon, Ms. LEE, Mr. LEWIS of Georgia, Mr. MCINTYRE, Ms. MILLENDER-MCDONALD, Mr. PASTOR, Mr. PAUL, Mr. RUSH, Mr. SANDERS, Mr. SANDLIN, Ms. STABENOW, and Mr. STUPAK):

H.R. 385. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to primary health providers who establish practices in health professional shortage areas; to the Committee on Ways and Means.

By Mr. KING of New York:

H.R. 386. A bill to repeal the law establishing the independent counsel; to the Committee on the Judiciary.

By Mr. LOBIONDO:

H.R. 387. A bill to prohibit certain oil and gas leasing activities on portions of the Outer Continental Shelf, consistent with the President's Outer Continental Shelf moratorium statement of June 26, 1990; to the Committee on Resources.

H.R. 388. A bill to prohibit the Secretary of the Interior from issuing oil and gas leases

on certain portions of the Outer Continental Shelf; to the Committee on Resources.

By Mrs. MALONEY of New York (for herself, Ms. ROS-LEHTINEN, Mr. LEWIS of Georgia, Mr. KENNEDY, Mr. RUSH, Mr. GILMAN, Ms. JACKSON-LEE of Texas, Mr. FALEOMAVAEGA, Ms. LOFGREN, and Ms. SCHAKOWSKY):

H.R. 389. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes; to the Committee on Ways and Means.

By Mr. MCINTOSH (for himself and Mr. NADLER):

H.R. 390. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received for settlement of certain claims of Holocaust survivors; to the Committee on Ways and Means.

By Mr. MCINTOSH:

H.R. 391. A bill to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes; to the Committee on Government Reform, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. MILLENDER-MCDONALD (for herself, Mr. ABERCROMBIE, Ms. NORTON, Mr. KENNEDY, Mr. FILNER, Mr. SANDERS, Ms. DELAURO, Mr. FRANK of Massachusetts, Mr. ROMERO-BARCELO, Mr. HINOJOSA, Mrs. NAPOLITANO, Ms. KILPATRICK, Mrs. MEEK of Florida, Mr. KLECZKA, Ms. SCHAKOWSKY, Mr. BROWN of Ohio, Ms. CHRISTIAN-CHRISTENSEN, and Ms. LEE):

H.R. 392. A bill to amend the Small Business Act to increase the authorization of appropriations for the women's business center program; to the Committee on Small Business.

By Mr. GEORGE MILLER of California (for himself, Mr. FILNER, Ms. PELOSI, Mr. MCINNIS, and Mr. GUTIERREZ):

H.R. 393. A bill to amend the Uranium Mill Tailings Radiation Control Act of 1978 to provide for the remediation of the Atlas uranium milling site near Moab, Utah; to the Committee on Commerce.

By Mr. GEORGE MILLER of California (for himself, Mr. RAHALL, Mr. GUTIERREZ, Mr. DEFAZIO, Mr. LAFALCE, and Mr. LEWIS of Georgia):

H.R. 394. A bill to ensure that Federal taxpayers receive a fair return for the extraction of locatable minerals on public domain lands, and for other purposes; to the Committee on Resources.

By Mr. GEORGE MILLER of California (for himself, Mr. RAHALL, Mr. GUTIERREZ, Mr. LAFALCE, and Mr. DEFAZIO):

H.R. 395. A bill to provide for the reclamation of abandoned hardrock mines, and for other purposes; to the Committee on Resources.

By Mr. GEORGE MILLER of California (for himself, Mr. LEWIS of California, Ms. LEE, Mr. CONDIT, Mr. BERMAN, Mr. FARR of California, Ms. CARSON, Mr. FROST, Mr. PORTMAN, Mrs. CAPPS, Ms. PELOSI, Mr. HALL of Ohio, Mr. WAXMAN, Mr. KENNEDY, Mr. COYNE, Mr. STARK, Mr. TRAFICANT, Mr. SHERMAN, Mrs. MINK of Hawaii, Mr. FILNER, Mr. TIERNEY, Mr. WATTS of Oklahoma, Ms. KILPATRICK, Mr. MARKEY, Ms. WATERS, Mr. CLAY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TURNER, Ms. NORTON, Ms. ESHOO, Mr. BECERRA, Mr. JACKSON of Illinois, Mr. SISISKY, Mr. LUTHER, Mr. SANDERS, Mr. WYNN, Mr. MEEHAN, Mr. KASICH, Mr. CUNNINGHAM, Mr. FORD, Mr. HINCHEY, Mr. ABERCROMBIE, Mr. DIXON, Mr. TAYLOR of Mississippi, Mr. SMITH of Washington, Mr. DINGELL, Mr. LANTOS, Mr. CRAMER, Ms. BROWN of Florida, Mr. BALDACCI, Mr. DOYLE, Mr. MCNULTY, Mr. WOLF, Mr. UNDERWOOD, Mr. FRANK of Massachusetts, Ms. WOOLSEY, Mr. MCDERMOTT, Ms. JACKSON-LEE of Texas, Mr. PAYNE, Mr. CUMMINGS, Mr. GEJDENSON, Mr. SANDLIN, Mr. JEFFERSON, Mr. SPRATT, Ms. MILLENDER-MCDONALD, Mrs. MEEK of Florida, Ms. MCKINNEY, Mr. KILDEE, Mrs. CLAYTON, Mr. HASTINGS of Florida, Mr. DOOLEY of California, Mr. BROWN of California, Mr. FATTAH, Mr. RUSH, Mr. SPENCE, Mr. TOWNS, Mr. OWENS, Ms. CHRISTIAN-CHRISTENSEN, Ms. ROYBAL-ALLARD, Mr. WELDON of Pennsylvania, Mr. BISHOP, Mr. HUNTER, Mr. LEWIS of Georgia, Mr. SCOTT, Mrs. MALONEY of New York, Mr. DEFAZIO, Mr. SKELTON, Mr. SNYDER, Mr. HOYER, Mr. CLYBURN, Mr. EDWARDS, Ms. DELAURO, Mr. MATSUI, Mr. CONYERS, Mrs. TAUSCHER, Mr. GALLEGLY, Mr. BOYD, Mr. BLAGOJEVICH, Mr. ROGAN, Ms. SCHAKOWSKY, Mrs. NAPOLITANO, Mr. WATT of North Carolina, Mr. THOMPSON of California, Ms. LOFGREN, and Mr. RANGEL):

H.R. 396. A bill to designate the Federal building located at 1301 Clay Street in Oakland, California, as the ''Ronald V. Dellums Federal Building''; to the Committee on Transportation and Infrastructure.

By Mr. GEORGE MILLER of California (for himself, Mr. RAHALL, Mr. GUTIERREZ, Mr. DEFAZIO, and Mr. LEWIS of Georgia):

H.R. 397. A bill to amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hardrock mines; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 398. A bill to make appropriations for fiscal year 2000 for a plant genetic conservation program; to the Committee on Appropriations.

H.R. 399. A bill to amend the Federal Election Campaign Act of 1971 to prohibit the use of soft money to influence any campaign for election for Federal office; to the Committee on House Administration.

H.R. 400. A bill to amend the Federal Election Campaign Act of 1971 to prohibit candidates for election for Federal office from accepting unsecured loans from depository institutions regulated under Federal law, and for other purposes; to the Committee on House Administration.

H.R. 401. A bill to amend title II of the Social Security Act to provide for treatment of severe spinal cord injury equivalent to the treatment of blindness in determining whether earnings derived from services demonstrate an ability to engage in substantial gainful activity; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii (for herself and Mr. ABERCROMBIE):

H.R. 402. A bill to amend the Social Security Act to further extend health care coverage under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NETHERCUTT:

H.R. 403. A bill to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health, and for other purposes; to the Committee on Resources, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. NORTON (for herself and Ms. KILPATRICK):

H.R. 404. A bill to amend title IX of the Education Amendments of 1972 to impose on employers responsibility for conduct of their employees under certain circumstances; to the Committee on Education and the Workforce.

By Mr. NUSSLE (for himself, Mr. EWING, Mr. BOEHLERT, Ms. SANCHEZ, Mr. CONDIT, Mr. OBERSTAR, Mr. SANDERS, Mr. PETERSON of Minnesota, Mr. MASCARA, Mr. SERRANO, Mr. PRICE of North Carolina, and Mr. MEEHAN):

H.R. 405. A bill to amend title XVIII of the Social Security Act to repeal the restriction on payment for certain hospital discharges to post-acute care imposed by section 4407 of the Balanced Budget Act of 1997; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NUSSLE (for himself, Ms. HOOLEY of Oregon, Ms. DUNN of Washington, Mr. METCALF, Mr. BEREUTER, and Mr. MINGE):

H.R. 406. A bill to amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare+Choice organizations; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PAUL:

H.R. 407. A bill to amend title 18, United States Code, to provide for reciprocity in regard to the manner in which nonresidents of a State may carry certain concealed firearms in that State; to the Committee on the Judiciary.

By Mr. PETERSON of Minnesota:

H.R. 408. A bill to amend the Food Security Act of 1985 to expand the number of acres authorized for inclusion in the conservation reserve; to the Committee on Agriculture.

By Mr. PORTMAN (for himself, Mr. HOYER, Mr. DAVIS of Virginia, Mr. CONDIT, Mr. SESSIONS, Ms. KILPATRICK, and Mr. KUCINICH):

H.R. 409. A bill to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public; to the Committee on Government Reform.

By Mr. RAHALL (for himself, Mr. GEORGE MILLER of California, and Mr. DEFAZIO):

H.R. 410. A bill to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes; to the Committee on Resources.

By Mr. RAMSTAD:

H.R. 411. A bill to correct the tariff classification of 13″ televisions; to the Committee on Ways and Means.

By Mr. REGULA (for himself, Mr. ENGLISH of Pennsylvania, Mr. ADERHOLT, Mr. DINGELL, Mr. BERRY, and Mr. KLINK):

H.R. 412. A bill to amend the Trade Act of 1974, and for other purposes; to the Committee on Ways and Means.

By Mr. RUSH (for himself, Mr. LEACH, Mr. LAFALCE, Mr. VENTO, Mr. OLVER, Ms. KILPATRICK, Mrs. MALONEY of New York, Ms. DEGETTE, Mr. METCALF, and Mr. FRANK of Massachusetts):

H.R. 413. A bill to authorize qualified organizations to provide technical assistance and capacity building services to microenterprise development organizations and programs and to disadvantaged entrepreneurs using funds from the Community Development Financial Institutions Fund, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. RUSH (for himself and Mr. HYDE):

H.R. 414. A bill to amend the Immigration and Nationality Act with respect to the requirements for the admission of nonimmigrant nurses who will practice in health professional shortage areas; to the Committee on the Judiciary.

By Ms. SANCHEZ (for herself, Mr. SANDLIN, Mr. SHERMAN, Mr. GEORGE MILLER of California, Mr. CONYERS, Mr. WEXLER, Mr. WAXMAN, Ms. NORTON, Ms. KILPATRICK, Mr. FARR of California, Ms. MILLENDER-MCDONALD, Mr. FORD, Mr. BROWN of California, Mr. FILNER, Mr. GREEN of Texas, and Mr. ACKERMAN):

H.R. 415. A bill to amend the Internal Revenue Code of 1986 to encourage new school construction through the creation of a new class of bond; to the Committee on Ways and Means.

By Mr. SCARBOROUGH (for himself, Mr. MICA, Mr. CUMMINGS, Mrs. MORELLA, Ms. NORTON, Mr. FORD, Mr. GILMAN, Mr. LEACH, and Mr. MURTHA):

H.R. 416. A bill to provide for the rectification of certain retirement coverage errors affecting Federal employees, and for other purposes; to the Committee on Government Reform, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHAYS (for himself, Mr. MEEHAN, Mr. WAMP, Mr. LEVIN, Mrs. ROUKEMA, Mr. DINGELL, Mr. FRANKS of New Jersey, Mrs. MALONEY of New York, Mr. LEACH, Mr. FARR of California, Mr. HOUGHTON, Mr. BONIOR, Mr. GREENWOOD, Mr. GEPHARDT, Mrs. MORELLA, Mr. ALLEN, Mr. CASTLE, Mr. HOYER, Mr. BILBRAY, Ms. DELAURO, Mr. BOEHLERT, Mr. LEWIS of Georgia, Mr. RAMSTAD, Mr. FRANK of Massachusetts, Mr. METCALF, Mr. GEORGE MILLER of California, Mr. GILCHREST, Ms. RIVERS, Mr. SANFORD, Mrs. CAPPS, Mr. PORTER, Mr. DOOLEY of California, Mrs. KELLY, Mr. CARDIN, Mr. WALSH, Mr. GEJDENSON, Mr. FORBES, Mr. BARRETT of Wisconsin, Mr. HORN, Mr. TIERNEY, Mr. GALLEGLY, Mr. MINGE, Mr. GILLMOR, Mr. PRICE of North Carolina, Mr. GILMAN, Mr. KIND of Wisconsin, Mr. LOBIONDO, Mr. NADLER, Mr. FRELINGHUYSEN, Mr. MASCARA, Mr. SHERMAN, Mr. STARK, Mr. BRADY of Pennsylvania, Mr. BALDACCI, Mr. MORAN of Virginia, Mr. SMITH of Washington, Mr. LUTHER, Mr. MALONEY of Connecticut, Mr. WAXMAN, Mr. POMEROY, Mr. CLEMENT, Mr. LANTOS, Mr. PALLONE, Mr. HINCHEY, Mr. BLUMENAUER, Mr. VENTO, Mr. WEXLER, Mr. MCGOVERN, Mr. MARKEY, Mr. ROTHMAN, Mr. PASCRELL, Mr. KANJORSKI, Mr. ACKERMAN, Mr. DAVIS of Florida, Mr. HOLT, Mr. GREEN of Texas, Mr. KLECZKA, Ms. KILPATRICK, Ms. ROYBAL-ALLARD, Mrs. TAUSCHER, Ms. PELOSI, Mr. SPRATT, Mr. HOEFFEL, Mr. MOORE, Mr. BORSKI, Ms. BALDWIN, Mr. SAWYER, Mr. UDALL of New Mexico, Ms. CARSON, Ms. MCCARTHY of Missouri, Mr. HALL of Ohio, Ms. LOFGREN, Mrs. MCCARTHY of New York, Mr. SNYDER, Mr. BAIRD, Mr. GONZALEZ, and Mrs. JOHNSON of Connecticut):

H.R. 417. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Education and the Workforce, Government Reform, the Judiciary, Ways and Means, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. SLAUGHTER (for herself and Mr. HOUGHTON):

H.R. 418. A bill to amend title XVIII of the Social Security Act to require universal product numbers on claims forms submitted for reimbursement for durable medical equipment and other items under the Medicare Program; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Michigan:

H.R. 419. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to all families with young children, and for other purposes; to the Committee on Ways and Means.

H.R. 420. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to require that the size of the public debt be reduced during each fiscal year by the amount of the net surplus in the Social Security trust funds at the end of that fiscal year; to the Committee on the Budget, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK:

H.R. 421. A bill to direct the Secretary of Health and Human Services to reduce the amount of coinsurance payable in conjunction with outpatient department services furnished under the Medicare Program, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SWEENEY:

H.R. 422. A bill to increase the authorizations of appropriations for certain programs that combat violence against women; to the Committee on the Judiciary.

By Mr. THOMAS (for himself, Mr. WATKINS, Mr. COOKSEY, Mr. BONILLA, Mr. MCINNIS, and Mr. SMITH of Texas):

H.R. 423. A bill to amend the Internal Revenue Code of 1986 to allow a 5-year net operating loss carryback for losses attributable to operating mineral interests of oil and gas producers; to the Committee on Ways and Means.

By Mr. TRAFICANT:

H.R. 424. A bill to amend title 5, United States Code, to provide that the mandatory retirement age for members of the Capitol Police be increased from 57 to 60; to the Committee on House Administration, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. VENTO:

H.R. 425. A bill to authorize the Secretary of Housing and Urban Development to make grants to States to supplement State assistance for the preservation ofaffordable housing for low-income families; to the Committee on Banking and Financial Services.

By Mr. ANDREWS:

H.J. Res. 20. A joint resolution proposing an amendment to the Constitution of the United States to authorize the line item veto; to the Committee on the Judiciary.

By Mr. DOOLITTLE (for himself, Mr. MANZULLO, Mr. CRAMER, Mr. GUTKNECHT, Mr. STUMP, Mr. TANCREDO, Mr. GOODE, and Mrs. CHENOWETH):

H.J. Res. 21. A joint resolution proposing an amendment to the Constitution of the United States establishing English as the official language of the United States; to the Committee on the Judiciary.

By Mr. ARMEY:

H. Con. Res. 11. Concurrent resolution providing for the adjournment of the House of Representatives; considered and agreed to.

By Mr. BALDACCI (for himself, Mr. ALLEN, and Mr. HINCHEY):

H. Con. Res. 12. Concurrent resolution directing the Clerk of the House of Representatives and the Secretary of the Senate to compile and make available to the public the names of candidates for election to the House of Representatives and the Senate who agree to conduct campaigns in accordance with a Code of Election Ethics; to the Committee on House Administration.

By Mr. ENGEL (for himself, Mr. KING of New York, Mr. OLVER, Mrs. KELLY, Mr. MORAN of Virginia, Mr. MCGOVERN, and Mr. HOYER):

H. Con. Res. 13. Concurrent resolution expressing the sense of the Congress that Serbia-Montenegro has failed to comply with the Holbrooke-Milosevic agreement of October 13, 1998, and that the North Atlantic Treaty Organization (NATO) should implement its activation order of October 12, 1998, to compel compliance; to the Committee on International Relations.

By Ms. KAPTUR (for herself and Mr. LATHAM):

H. Con. Res. 14. Concurrent resolution expressing the sense of the Congress regarding the actions needed to address the disastrous decline in hog prices for American pork producers and to relieve the wide-spread economic hardship currently being suffered by these producers; to the Committee on Agriculture.

By Mr. MCNULTY:

H. Con. Res. 15. Concurrent resolution expressing the sense of the Congress regarding the primary author and the official home of ''Yankee Doodle''; to the Committee on Government Reform.

By Mr. NETHERCUTT:

H. Con. Res. 16. Concurrent resolution expressing the sense of the Congress that Jonathan Jay Pollard should serve his full sentence of life imprisonment and should not receive pardon, reprieve, or any other form of executive clemency from the President of the United States; to the Committee on the Judiciary.

By Mr. SAWYER (for himself and Mrs. MORELLA):

H. Con. Res. 17. Concurrent resolution expressing the sense of the Congress that the United States should develop, promote, and implement voluntary policies to slow the population growth of the Nation; to the Committee on Commerce.

By Mr. UPTON (for himself and Mr. GOSS):

H. Con. Res. 18. Concurrent resolution expressing the sense of Congress with respect to convicted spy Jonathan Pollard; to the Committee on the Judiciary.

By Mr. ARMEY:

H. Res. 21. A resolution designating majority membership to certain standing committees of the House; considered and agreed to.

H. Res. 22. A resolution designating majority membership to certain standing committees of the House; considered and agreed to.

By Mr. FROST:

H. Res. 23. A resolution designating minority membership to certain standing committees of the House; considered and agreed to.

By Mr. GALLEGLY:

H. Res. 24. A resolution expressing the sense of the House of Representatives congratulating President Pastrana and the people of Colombia for moving the peace process forward and calling on the government and all other parties to the current conflict in Colombia to end the guerrilla and paramilitary violence which continues to pose a serious threat to democracy as well as economic and social stability in Colombia; to the Committee on International Relations.

H. Res. 25. A resolution congratulating the Government of Peru and the Government of Ecuador for signing a peace agreement ending a border dispute which has resulted in several military clashes over the past 50 years; to the Committee on International Relations.

H. Res. 26. A resolution congratulating the people of Guatemala on the second anniversary of the signing of the peace accords in Guatemala; to the Committee on International Relations.

H. Res. 27. A resolution congratulating the people of the Republic of Venezuela on the success of their democratic elections held on December 6, 1998; to the Committee on International Relations.

By Mrs. MINK of Hawaii:

H. Res. 28. A resolution recognizing the success of Crime Stoppers International in stopping crimes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Ms. PELOSI:

H.R. 426. A bill for the relief of Mounir Adel Hajjar; to the Committee on the Judiciary.

By Ms. PELOSI:

H.R. 427. A bill for the relief of Oleg Rasulyevich Rafikov, Alfia Fanilevna Rafikova, Evgenia Olegovna Rafikova, and Ruslan Khamitovich Yagudin; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 428. A bill for the relief of certain Persian Gulf evacuees; to the Committee on the Judiciary.

By Mr. ROTHMAN:

H.R. 429. A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Mr. SESSIONS.

H.R. 17: Mr. LUCAS of Oklahoma, Mr. GUTKNECHT, and Mr. MCHUGH.

H.R. 22: Mr. WALSH.

H.R. 23: Mr. SESSIONS.

H.R. 27: Mr. SESSIONS.

H.R. 29: Mr. SESSIONS.

H.R. 32: Mr. SESSIONS.

H.R. 36: Mr. REYES, Mr. DEUTSCH, Mr. BRADY of Pennsylvania, Mr. UNDERWOOD, and Mr. WEYGAND.

H.R. 38: Mr. SKEEN.

H.R. 41: Mr. TANCREDO.

H.R. 45: Mr. CALLAHAN, Mr. STEARNS, Mr. GILLMOR, Mr. BAKER, Mrs. MEEK of Florida, Mr. BOEHLERT, Ms. KILPATRICK, Mr. BORSKI, and Mr. SKEEN.

H.R. 49: Mr. WALSH, Mr. FROST, Mr. BERMAN, Mrs. MCCARTHY of New York, Mr. ORTIZ, and Mrs. MYRICK.

H.R. 51: Mr. MCHUGH, Mr. GILMAN, Mr. FROST, and Mr. OXLEY.

H.R. 58: Mr. MANZULLO, Ms. ROS-LEHTINEN, and Mr. FROST.

H.R. 61: Ms. PELOSI, Mr. NADLER, Mr. FROST, Mr. FILNER, Mr. ACKERMAN, Mr. MEEHAN, Mr. GREEN of Texas, Mr. SERRANO, and Mr. FRANK of Massachusetts.

H.R. 70: Mr. QUINN, Mr. SAXTON, Ms. DANNER, Mrs. CHENOWETH, Mr. MCINTOSH, Mr. HILLEARY, Mr. GRAHAM, Mr. JENKINS, Mrs. MCCARTHY of New York, Ms. CARSON, Ms. BROWN of Florida, Mr. CONDIT, Mr. HOLDEN, Mr. MCNULTY, Mr. BLILEY, Mr. ACKERMAN, Mrs. THURMAN, Mr. HORN, Mr. HASTINGS of Washington, Mr. TANCREDO, Mr. DAVIS of Florida, Mr. BORSKI, Mr. LATOURETTE, Mr. STEARNS, Mr. PALLONE, Ms. KAPTUR, Mr. LAFALCE, Mrs. MYRICK, Mr. GIBBONS, Mr. ENGLISH of Pennsylvania, Mr. GREEN of Texas, and Ms. GRANGER.

H.R. 86: Mr. OSE, Mr. FLETCHER, Mr. SHERWOOD, Mr. RYAN of Wisconsin, Ms. BIGGERT, and Mr. SIMPSON.

H.R. 116: Mr. ALLEN, Mr. LAMPSON, Mr. KENNEDY, Mr. VENTO, Mr. PASTOR, Ms. CHRISTIAN-CHRISTENSEN, Ms. BROWN of Florida, Mr. COSTELLO, Mr. BORSKI, Mr. HALL of Ohio, Mr. OBERSTAR, Mr. SCOTT, Mr. TRAFICANT, Mr. VISCLOSKY, Ms. WATERS, Mr. WISE, Ms. WOOLSEY, Mr. CUMMINGS, Mr. CONDIT, Mr. CRAMER, Mr. POMEROY, Mr. HOLDEN, Mrs. TAUSCHER, Mr. SPRATT, Mr. MEEKS of New York, Mr. SKELTON, Mr. MOAKLEY, Mr. SANDERS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WEYGAND, Ms. SCHAKOWSKY, Mr. CLEMENT, Mr. GREEN of Texas, Mr. HINOJOSA, Mr. BERMAN, Mr. CROWLEY, and Mr. ROTHMAN.

H.R. 136: Mrs. MYRICK.

H.R. 137: Ms. JACKSON-LEE of Texas, Mr. BLUMENAUER, Mr. WEXLER, Mr. KUCINICH, Ms. PELOSI, Mr. VENTO, Mr. BONIOR, and Mr. WEYGAND.

H.R. 141: Mr. OLVER and Mr. MALONEY of Connecticut.

H.R. 155: Mr. PASTOR.

H.R. 160: Mr. HASTINGS of Washington.

H.R. 175: Mr. MCDERMOTT, Mr. MCKEON, Mr. SKELTON, Mr. TAYLOR of North Carolina, Mr. HORN, Mrs. MEEK of Florida, Mr. WEYGAND, Ms. ROYBAL-ALLARD, Mr. CAPUANO, Mr. LAFALCE, Ms. LEE, and Ms. ESHOO.

H.R. 176: Mr. HEFLEY.

H.R. 179: Mr. BALDACCI, Mr. FROST, Mr. HINOJOSA, Mr. MATSUI, Mrs. MEEK of Florida, and Mr. SANDERS.

H.R. 192: Mr. BRYANT.

H.R. 196: Mr. POMEROY and Mr. SANDLIN.

H.R. 206: Mr. BARRETT of Wisconsin, Ms. DEGETTE, Ms. PELOSI, Ms. STABENOW, Ms. CARSON, Ms. EDDIE BERNICE JOHNSON of Texas, and Mrs. WILSON.

H.R. 208: Mr. LAFALCE, Mrs. MEEK of Florida, Mr. CASTLE, Mr. FILNER, Mr. DAVIS of Virginia, Mr. TOWNS, Mr. MANZULLO, Ms. NORTON, Mr. KUCINICH. and Mr. STARK.

H.R. 215: Mr. DAVIS of Virginia, Mr. TRAFICANT, and Mr. WYNN.

H.R. 217: Mr. BOSWELL.

H.R. 219: Mr. SHERMAN, Mr. DUNCAN, Mr. BACHUS, Ms. DANNER, and Mr. LATOURETTE.

H.R. 220: Mr. HINCHEY, Mr. MANZULLO, and Mr. LATOURETTE.

H.R. 222: Mr. CANNON, Mr. BACHUS, Mrs. MYRICK, Mr. SANDLIN, and Mr. HALL of Texas.

H.R. 232: Mr. MCCRERY, Mr. GILLMOR, and Mr. ENGLISH of Pennsylvania.

H.R. 271: Mr. MALONEY of Connecticut, Ms. ESHOO, Mr. CROWLEY, Mr. ABERCROMBIE, Ms. LEE, Mr. BRADY of Pennsylvania, Mr. SAXTON, Mr. WAXMAN Mr. ETHERIDGE, Mr. BROWN of Ohio, Ms. SCHAKOWSKY, and Mr. GREEN of Texas.

H.R. 306: Mr. BISHOP, Mr. BORSKI, Ms. CARSON, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. COSTELLO, Ms. ESHOO, Mr. HILLIARD, Mr. HOLDEN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KANJORSKI, Ms. KAPTUR, Mr. MCDERMOTT, Mrs. MEEK of Florida, Mr. OLVER, Mr. ORTIZ, Mr. PASTOR, Ms. PELOSI, Mr. RANGEL, Mr. RODRIGUEZ, Mr. SMITH of Washington, Ms. STABENOW, Mr. STRICKLAND, Mr. TIERNEY, Mr. VENTO, Mr. VISCLOSKY, and Mr. WEYGAND.

H.J. Res. 10: Mr. BURR of North Carolina, Mr. COLLINS, Mr. SHAW, and Mr. WELDON of Florida.

H. Con. Res. 5: Ms. KILPATRICK, Ms. NORTON, Mr. FILNER, Mrs. MINK of Hawaii, Ms. JACKSON-LEE of Texas, Mr. TRAFICANT, Mr. GUTIERREZ, Mr. FROST, Mr. BARRETT of Wisconsin, Mr. SHERMAN, Ms. ROYBAL-ALLARD, Mr. SMITH of Washington, Mr. MEEHAN, Mr. SANDERS, Mr. SPRATT, Mr. HORN, Mr. FORD, Ms. DELAURO, Mr. DINGELL, Mr. FRANK of Massachusetts, Mrs. MCCARTHY of New York, Mr. CLEMENT, Mr. FALEOMAVAEGA, Mr. ABERCROMBIE, Ms. LOFGREN, Mrs. CHRISTIAN-CHRISTENSEN, Mr. THOMPSON of California, Mrs. MYRICK, Mrs. LOWEY, Ms. CARSON, Ms. PELOSI, Ms. LEE, Mr. BALDACCI, and Ms. STABENOW.

H. Con. Res. 8: Mr. DOYLE, Mr. BERRY, Ms. STABENOW, and Mr. GOODE.

H. Res. 15: Mr. LEACH, Ms. SLAUGHTER, Mr. MALONEY of Connecticut, Mr. FROST, Mrs. MEEK of Florida, Mr. GILMAN, Ms. CARSON, Mr. SKELTON, Ms. STABENOW, Mr. BARRETT of Wisconsin, Mr. HINOJOSA, Mr. FALEOMAVAEGA, and Ms. LEE.

H. Res. 18: Ms. KILPATRICK and Mr. WYNN.

H. Res. 25. A resolution congratulating the Government of Peru and the Government of Ecuador for signing a peace agreement ending a border dispute which has resulted in several military clashes over the past 50 years; to the Committee on International Relations.

H. Res. 26. A resolution congratulating the people of Guatemala on the second anniversary of the signing of the peace accords in Guatemala; to the Committee on International Relations.

H. Res. 27. A resolution congratulating the people of the Republic of Venezuela on the success of their democratic elections held on December 6, 1998; to the Committee on International Relations.

By Mrs. MINK of Hawaii:

H. Res. 28. A resolution recognizing the success of Crime Stoppers International in stopping crimes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Ms. PELOSI:

H.R. 426. A bill for the relief of Mounir Adel Hajjar; to the Committee on the Judiciary.

By Ms. PELOSI:

H.R. 427. A bill for the relief of Oleg Rasulyevich Rafikov, Alfia Fanilevna Rafikova, Evgenia Olegovna Rafikova, and Ruslan Khamitovich Yagudin; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 428. A bill for the relief of certain Persian Gulf evacuees; to the Committee on the Judiciary.

By Mr. ROTHMAN:

H.R. 429. A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Mr. SESSIONS.

H.R. 17: Mr. LUCAS of Oklahoma, Mr. GUTKNECHT, and Mr. MCHUGH.

H.R. 22: Mr. WALSH.

H.R. 23: Mr. SESSIONS.

H.R. 27: Mr. SESSIONS.

H.R. 29: Mr. SESSIONS.

H.R. 32: Mr. SESSIONS.

H.R. 36: Mr. REYES, Mr. DEUTSCH, Mr. BRADY of Pennsylvania, Mr. UNDERWOOD, and Mr. WEYGAND.

H.R. 38: Mr. SKEEN.

H.R. 41: Mr. TANCREDO.

H.R. 45: Mr. CALLAHAN, Mr. STEARNS, Mr. GILLMOR, Mr. BAKER, Mrs. MEEK of Florida, Mr. BOEHLERT, Ms. KILPATRICK, Mr. BORSKI, and Mr. SKEEN.

H.R. 49: Mr. WALSH, Mr. FROST, Mr. BERMAN, Mrs. MCCARTHY of New York, Mr. ORTIZ, and Mrs. MYRICK.

H.R. 51: Mr. MCHUGH, Mr. GILMAN, Mr. FROST, and Mr. OXLEY.

H.R. 58: Mr. MANZULLO, Ms. ROS-LEHTINEN, and Mr. FROST.

H.R. 61: Ms. PELOSI, Mr. NADLER, Mr. FROST, Mr. FILNER, Mr. ACKERMAN, Mr. MEEHAN, Mr. GREEN of Texas, Mr. SERRANO, and Mr. FRANK of Massachusetts.

H.R. 70: Mr. QUINN, Mr. SAXTON, Ms. DANNER, Mrs. CHENOWETH, Mr. MCINTOSH, Mr. HILLEARY, Mr. GRAHAM, Mr. JENKINS, Mrs. MCCARTHY of New York, Ms. CARSON, Ms. BROWN of Florida, Mr. CONDIT, Mr. HOLDEN, Mr. MCNULTY, Mr. BLILEY, Mr. ACKERMAN, Mrs. THURMAN, Mr. HORN, Mr. HASTINGS of Washington, Mr. TANCREDO, Mr. DAVIS of Florida, Mr. BORSKI, Mr. LATOURETTE, Mr. STEARNS, Mr. PALLONE, Ms. KAPTUR, Mr. LAFALCE, Mrs. MYRICK, Mr. GIBBONS, Mr. ENGLISH of Pennsylvania, Mr. GREEN of Texas, and Ms. GRANGER.

H.R. 86: Mr. OSE, Mr. FLETCHER, Mr. SHERWOOD, Mr. RYAN of Wisconsin, Ms. BIGGERT, and Mr. SIMPSON.

H.R. 116: Mr. ALLEN, Mr. LAMPSON, Mr. KENNEDY, Mr. VENTO, Mr. PASTOR, Ms. CHRISTIAN-CHRISTENSEN, Ms. BROWN of Florida, Mr. COSTELLO, Mr. BORSKI, Mr. HALL of Ohio, Mr. OBERSTAR, Mr. SCOTT, Mr. TRAFICANT, Mr. VISCLOSKY, Ms. WATERS, Mr. WISE, Ms. WOOLSEY, Mr. CUMMINGS, Mr. CONDIT, Mr. CRAMER, Mr. POMEROY, Mr. HOLDEN, Mrs. TAUSCHER, Mr. SPRATT, Mr. MEEKS of New York, Mr. SKELTON, Mr. MOAKLEY, Mr. SANDERS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WEYGAND, Ms. SCHAKOWSKY, Mr. CLEMENT, Mr. GREEN of Texas, Mr. HINOJOSA, Mr. BERMAN, Mr. CROWLEY, and Mr. ROTHMAN.

H.R. 136: Mrs. MYRICK.

H.R. 137: Ms. JACKSON-LEE of Texas, Mr. BLUMENAUER, Mr. WEXLER, Mr. KUCINICH, Ms. PELOSI, Mr. VENTO, Mr. BONIOR, and Mr. WEYGAND.

H.R. 141: Mr. OLVER and Mr. MALONEY of Connecticut.

H.R. 155: Mr. PASTOR.

H.R. 160: Mr. HASTINGS of Washington.

H.R. 175: Mr. MCDERMOTT, Mr. MCKEON, Mr. SKELTON, Mr. TAYLOR of North Carolina, Mr. HORN, Mrs. MEEK of Florida, Mr. WEYGAND, Ms. ROYBAL-ALLARD, Mr. CAPUANO, Mr. LAFALCE, Ms. LEE, and Ms. ESHOO.

H.R. 176: Mr. HEFLEY.

H.R. 179: Mr. BALDACCI, Mr. FROST, Mr. HINOJOSA, Mr. MATSUI, Mrs. MEEK of Florida, and Mr. SANDERS.

H.R. 192: Mr. BRYANT.

H.R. 196: Mr. POMEROY and Mr. SANDLIN.

H.R. 206: Mr. BARRETT of Wisconsin, Ms. DEGETTE, Ms. PELOSI, Ms. STABENOW, Ms. CARSON, Ms. EDDIE BERNICE JOHNSON of Texas, and Mrs. WILSON.

H.R. 208: Mr. LAFALCE, Mrs. MEEK of Florida, Mr. CASTLE, Mr. FILNER, Mr. DAVIS of Virginia, Mr. TOWNS, Mr. MANZULLO, Ms. NORTON, Mr. KUCINICH. and Mr. STARK.

H.R. 215: Mr. DAVIS of Virginia, Mr. TRAFICANT, and Mr. WYNN.

H.R. 217: Mr. BOSWELL.

H.R. 219: Mr. SHERMAN, Mr. DUNCAN, Mr. BACHUS, Ms. DANNER, and Mr. LATOURETTE.

H.R. 220: Mr. HINCHEY, Mr. MANZULLO, and Mr. LATOURETTE.

H.R. 222: Mr. CANNON, Mr. BACHUS, Mrs. MYRICK, Mr. SANDLIN, and Mr. HALL of Texas.

H.R. 232: Mr. MCCRERY, Mr. GILLMOR, and Mr. ENGLISH of Pennsylvania.

H.R. 271: Mr. MALONEY of Connecticut, Ms. ESHOO, Mr. CROWLEY, Mr. ABERCROMBIE, Ms. LEE, Mr. BRADY of Pennsylvania, Mr. SAXTON, Mr. WAXMAN Mr. ETHERIDGE, Mr. BROWN of Ohio, Ms. SCHAKOWSKY, and Mr. GREEN of Texas.

H.R. 306: Mr. BISHOP, Mr. BORSKI, Ms. CARSON, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. COSTELLO, Ms. ESHOO, Mr. HILLIARD, Mr. HOLDEN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KANJORSKI, Ms. KAPTUR, Mr. MCDERMOTT, Mrs. MEEK of Florida, Mr. OLVER, Mr. ORTIZ, Mr. PASTOR, Ms. PELOSI, Mr. RANGEL, Mr. RODRIGUEZ, Mr. SMITH of Washington, Ms. STABENOW, Mr. STRICKLAND, Mr. TIERNEY, Mr. VENTO, Mr. VISCLOSKY, and Mr. WEYGAND.

H.J. Res. 10: Mr. BURR of North Carolina, Mr. COLLINS, Mr. SHAW, and Mr. WELDON of Florida.

H. Con. Res. 5: Ms. KILPATRICK, Ms. NORTON, Mr. FILNER, Mrs. MINK of Hawaii, Ms. JACKSON-LEE of Texas, Mr. TRAFICANT, Mr. GUTIERREZ, Mr. FROST, Mr. BARRETT of Wisconsin, Mr. SHERMAN, Ms. ROYBAL-ALLARD, Mr. SMITH of Washington, Mr. MEEHAN, Mr. SANDERS, Mr. SPRATT, Mr. HORN, Mr. FORD, Ms. DELAURO, Mr. DINGELL, Mr. FRANK of Massachusetts, Mrs. MCCARTHY of New York, Mr. CLEMENT, Mr. FALEOMAVAEGA, Mr. ABERCROMBIE, Ms. LOFGREN, Mrs. CHRISTIAN-CHRISTENSEN, Mr. THOMPSON of California, Mrs. MYRICK, Mrs. LOWEY, Ms. CARSON, Ms. PELOSI, Ms. LEE, Mr. BALDACCI, and Ms. STABENOW.

H. Con. Res. 8: Mr. DOYLE, Mr. BERRY, Ms. STABENOW, and Mr. GOODE.

H. Res. 15: Mr. LEACH, Ms. SLAUGHTER, Mr. MALONEY of Connecticut, Mr. FROST, Mrs. MEEK of Florida, Mr. GILMAN, Ms. CARSON, Mr. SKELTON, Ms. STABENOW, Mr. BARRETT of Wisconsin, Mr. HINOJOSA, Mr. FALEOMAVAEGA, and Ms. LEE.

H. Res. 18: Ms. KILPATRICK and Mr. WYNN.

SENATE—*Tuesday, January 19, 1999*

The Senate met at 9:30 a.m. and was called to order by the Honorable GEORGE B. VOINOVICH, a Senator from the State of Ohio.

PRAYER

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

Gracious God, our Rock of Ages in the sifting sands of our times, You are our stability and strength. You have placed a homing spirit in our hearts, making us restless to return to You. And now in communion with You, we receive what we need—energizing power for this new day, enthusiasm for the demanding schedule of this long day, extraordinary intellectual resiliency for the challenges of this crucial day.

Lord, bless the Senators with an assuring awareness of Your presence in the varied responsibilities they will assume today: the morning business, the party caucuses, the resumption of the impeachment trial, the State of the Union Address by the President. May their consistently repeated prayer in each changing circumstance, conversation, or conflict be: ''Lord, use me. Speak through me. Accomplish Your will in my life and leadership.'' And so we commit this day to live intentionally in the inspiration of Your Spirit. Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The bill clerk read as follows:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, January 19, 1999.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GEORGE B. VOINOVICH, a Senator from the State of Ohio, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. VOINOVICH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. NICKLES. Thank you, Mr. President.

SCHEDULE

Mr. NICKLES. Mr. President, this morning the Senate will be in a period of morning business until 11:30 a.m. Following morning business the Senate will recess in order to accommodate the weekly party luncheons. The Senate will then reconvene at 1 p.m. this afternoon and immediately resume consideration of the articles of impeachment. Under the provisions of Senate Resolution 16 the White House will begin its opening arguments. At the conclusion of today's consideration of the articles of impeachment, the Senate will recess until 8:35 p.m. this evening and upon reconvening will proceed as a body to the House of Representatives for a joint session to receive a message from the President. I thank my colleagues for their attention.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business until the hour of 11:30, with 60 minutes under the control of the majority leader and with 60 minutes under the control of the Democratic leader, or their designees.

The Senator from Illinois.

Mr. DURBIN. Mr. President, as I understand it, there are 2 hours equally divided. I ask unanimous consent to designate myself as the Senator in charge of the 1 hour designated to the Democrats.

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

Mr. DURBIN. Thank you, Mr. President.

DEMOCRATIC LEGISLATIVE AGENDA

Mr. DURBIN. Mr. President, very shortly we will be joined by the minority leader, Senator DASCHLE, who will speak to the issue at hand. Of course, the issue is one that is positively dwarfed by the events that will occur in this Chamber later this evening. It is very difficult to stand here in the context of the impeachment trial and to speak of legislation, but I think we would be remiss in our responsibilities to the American people if we did not realize that although the impeachment trial is an important constitutional responsibility, we have other responsibilities to the American people, as well.

The Democratic package, leadership package, of legislation speaks to specific issues which many families across America consider paramount in their lives. I think it is a very realistic and a very forward-looking approach to the problems which challenge us. It addresses the day-to-day issues that matter the most to the American people: Health care, education, income security, crime, child care, a safe and stable food supply, and other critical issues.

I am sorry to report that the last Congress—the last 2 years of Congress on Capitol Hill—was largely unproductive. The results of the last national election, I think, verified the fact that most people were disappointed by the outcome of the 105th Congress. There were so many opportunities missed in that Congress, so many chances to make real changes to improve life in America that were squandered. We failed to address patients' rights, we failed to reduce tobacco use by our children, we failed to reform the sorry state of campaign financing, and increase the minimum wage. In each instance, we were stymied by the other side of the aisle that simply did not want to deal with these issues.

It appears that the only issue of great moment—and I say that advisedly—was the decision to rename Washington National Airport after our former President, Ronald Reagan. Sadly, many of my colleagues in the Senate, once they had achieved that, decided to go straight to the airport and catch a plane and go home instead of sticking around and working on the issues for which we were called to Washington.

I think the American people have other things on their minds, and I think they are looking to us for leadership.

I am happy at this point to yield the floor to the Democratic leader, our minority leader in the U.S. Senate, who will speak to the agenda which we will try to forcefully address during this session of Congress.

THE OTHER IMPORTANT WORK THIS CONGRESS MUST DO: AN AGENDA TO HELP AMERICA'S WORKING FAMILIES

Mr. DASCHLE. Mr. President, for 3 full days now, this Senate has been sitting as a court of impeachment. We are only the second Senate in the history

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

of our nation to sit in judgment of a President, and the first Senate ever to consider impeaching an elected President.

Deciding, ultimately, whether to overturn a free and democratic election is almost certainly the most awesome responsibility any of us will ever be called in our public lives to fulfill.

But it is not the only responsibility before this Senate, Mr. President. On many other urgent issues—from improving our children's schools, to passing HMO reform, to saving Social Security—the American people are waiting for us to act. They've been waiting—frankly, for too long. So today, on behalf of my fellow Democratic Senators, I am introducing our first bills of the 106th Congress.

Our proposals target the real needs of America's families and communities. They are relevant, not revolutionary. If they seem familiar, it's because most of what is in them we first introduced in the last Congress. But they did not pass, despite the support of the American people and, in some cases, by a bipartisan majority of Senators. We offer them again in this Congress because the need for them has not diminished. In fact, it has grown.

SENATE DEMOCRATS' FIRST 5 BILLS

Our first bill is S. 6, the Patients' Bill of Rights. Democratic Senators spoke about this bill so often last year, trying to persuade our Republican colleagues to permit a vote on it, that I think we may all know it inside and out. In a nutshell, our Patients' Bill of Rights is based on a fundamental premise that insurance company accountants have no business practicing medicine. Decisions about medical care should be made by doctors and patients. Period.

The Patients Bill of Rights guarantees HMO patients the right to go to an emergency room, and see a medical specialist, when they need to.

It guarantees doctors the right to tell patients all their treatment options, not merely the cheapest ones. If you're being treated for an illness, or you're pregnant, the Patients' Bill of Rights allows you stay with your own doctor, even if your employer changes health plans. It guarantees parents the right to take their child to a pediatric specialist if they need one.

And it holds HMOs accountable for their decisions. If an HMO refuses to cover a prescription or procedure, our bill allows patients to appeal that decision to an independent third-party.

And, if a patient suffers serious harm as a result of insurance company's decision to delay or deny needed care, the Patients' Bill of Rights guarantees them the right to sue their insurer—the same way every other industry can be sued for its bad decisions.

We're pleased that our Republican colleagues say HMO reform will be a priority for them this year as well. That's progress. The plan they offered last year covered only 1 in 3 privately insured Americans and contained other major holes as well. We hope their new proposal will correct those problems. We also hope the Republican leadership will allow an open, honest debate on this issue. That would be further progress. If we can have that debate, we can pass a real Patients' Bill of Rights this year.

Our second bill, S. 7, is the Public Schools Excellence Act.

There are more children in America's public schools this year than ever before in our nation's history. These record enrollments are already causing serious teacher shortages. One way some schools are trying to deal with the shortages is by lowering standards for new teachers.

Over the next 10 years, continued enrollment increases and teacher retirements will require America's public schools to hire more than 2 million new teachers. If we don't act now, the need for new teachers will put ever more pressure on communities to lower their teaching standards.

Enacting a proposal by Senator MURRAY, we made a historic commitment last year to help local communities hire 100,000 new teachers so they could reduce class size to an average of 18 students in first 3 grades, and give young children the personal attention and solid academic foundation they need.

This year, we are proposing a new partnership to increase both the quantity and quality of America's teachers. It is based on a proposal by Senator KENNEDY. We'll help local communities attract qualified new teachers by offering college scholarships to students and to professionals who want to switch careers. We'll also help them provide these new teachers with the intensive support they need—but too often do not get—during the first few years on the job. At the same time, we'll help communities keep good teachers who are already in the classroom, by providing them with the training they need to strengthen their skills, or learn new skills—like how to use computers in the classroom.

But even the best teachers can't teach, and students can't learn, in classrooms that are unsafe or crammed beyond capacity. That is why, as part of our education bill, we are also re-introducing our plan to help local communities repair and replace crumbling and overcrowded schools.

We all know the figures: According to the GAO, 14 million children in this country attend schools that require major renovations; and 7 million children attend schools with serious safety code violations such as asbestos, radon, and lead-based paint. Millions more children attend schools that hold far more students than they were designed for.

Our bill provides communities with reduced-rate bonds that will enable them to cut school construction and repair costs to local taxpayers by as much as 50 percent. Senators LAUTENBERG, ROBB, FEINSTEIN, and HARKIN have all helped put this proposal together.

More than 90 percent of America's children attend public schools. By strengthening their schools, we can give our children the skills to prosper in tomorrow's economy. But we also need to help families the tools to succeed in today's economy. That is the focus of Democrats' third bill, S. 8, the Income Security Enhancement Act.

For 20 years, beginning in the early 1970s, 80 percent of America's families didn't get a raise; their incomes stayed flat—even when they took on second or even third jobs. Fortunately, that's over. Since 1993, the average family income has gone up nearly $2,000 per year.

One way we can keep that trend moving in the right direction is by increasing the minimum wage by $1 over the next years—to $6.15 per hour. We know from experience that raising the minimum wage doesn't hurt the economy. It doesn't kill jobs. What it does is help families, and reinforce our belief as a society in the dignity of work. We hope our Republican colleagues will join us in supporting this modest increase for some of the hardest workers in our nation.

We are also hoping they will join us in supporting a true marriage penalty tax cut.

Last year, Republicans proposed a flat $1,400 tax credit to married couples filing jointly. For most middle-class couples, the tax cut we are proposing is a better proposal. Under our plan, two-income couples filing jointly could deduct 20 percent of whichever of their 2 incomes is lower. For example, a couple earning $35,000—split $20,000 and $15,000—would get a $3,000 tax cut. A couple earning $50,000—$25,000 each—would get a $5,000 tax cut.

Another difference between our marriage penalty tax cut and the one Republicans proposed last year is that our tax cut is factored into the Earned Income Tax Credit, so couples—like so many of the couples in my state of South Dakota—couples earning less than $30,000—can still receive it, even if they have no income tax liability.

We also need to close the pay gap between men and women.

In 1963, President Kennedy signed the Equal Pay Act, making it illegal for employers to pay women less than men for the same job. Thirty-six years later, women in this country still earn, on average, $9,000 a year less than men. Over a lifetime, the average American woman loses $420,000 in wages and benefits because of this pay gap.

Today, when women provide more than half the income in two-thirds of

America's families, and all the income in 2 out of every 5 families, this continued pay gap is just anti-woman. It's anti-family. Our bill will help narrow the gap by strengthening enforcement of the Equal Pay Act, toughening penalties for employers who break the law; and increasing the remedies available to women who suffer wage discrimination.

Increasing the minimum wage. Cutting the marriage penalty tax. Closing the pay gap. All of these things will help increase families' economic security today. We also need to help people plan for a secure economic future. That's the other half of our family-income package.

I talk to people all the time who tell me they're worried they won't have the ''luxury'' of retirement. Democrats believe we don't have the luxury of ignoring the coming retirement crisis. We need to deal with the serious issue of retirement security—in this Congress.

It is not OK that fewer than half of all American workers have pensions. That is why we are re-introducing our proposal to significantly increase the number of workers with pensions, and strengthen pension security. Our bill makes it easier and cheaper for small businesses to offer pension plans. It also strengthens auditing and other security measures designed to protect pension funds from misuse and mismanagement—so the pensions workers earn are actually there when they retire.

In addition, our bill changes some of the old rules about pensions to match the new reality of the way Americans work. Most people now switch jobs many times in their careers. That makes it hard for them to build up a significant pension. Our proposal makes it easier for workers to take their pensions with them when they change jobs. It also reduces from 5 to 3 years the time it takes to become ''vested'' in a 401(k) plan; and it allows workers who don't have pension coverage to build their own retirement savings through direct contributions from their paycheck into an IRA.

The other thing this Congress must do to increase Americans' retirement security is protect Social Security.

We don't need a detailed Democratic plan to save Social Security, or a detailed Republican plan. We need a detailed American plan to save Social Security. And we're ready and willing to work with our Republican colleagues to produce one. But until a plan is signed into law, we all need to keep our commitment to save Social Security first.

Some people are suggesting that we can walk away from that commitment now because the surplus projections are bigger today than we expected. They want to change the rules and make it easier to spend the surplus.

Let me be very clear: Senate Democrats will do everything in our power to prevent this from happening—until we fix Social Security. It doesn't matter how large the projected surplus is. We didn't go through all the hard work of balancing the budget just so Congress could once again start spending money we don't have and driving up the deficit.

We don't have a Social Security crisis today. But we could create a crisis for the future if we start spending the surplus now, before we know how much it will cost to keep Social Security solvent once the Baby Boomers start to retire.

Instead of making it easier to raid Social Security, let's work together in this Congress to save it. If our predecessors could summon the political will 60 years ago, during the worst economic times in our history, to create Social Security, surely we can summon the will, during the best economic times in a generation, to preserve it.

We also need to increase the personal security of America's families.

This year, for the sixth year in a row, crime is down in America. That's the longest period of decline in 25 years. Our fourth bill, S. 9, the Safe Schools, Safe Streets and Secure Borders Act of 1999, builds on the juvenile crime bill introduced by Senator LEAHY in the 105th Congress. It will help reduce crime even further by targeting violent crime in our schools. Reforming the juvenile justice system. Combating gang violence. Cracking down on the sale and use of illegal drugs. Giving police and prosecutors more tools and resources to fight street crime, international crime and terrorism. And strengthening the rights of crime victims.

In 1994, we made a commitment to put 100,000 new police officers on the street in communities all across America. Our new crime bill builds on that commitment by enabling communities to hire an additional 25,000 police officers through the COPS program.

It also expands Senator BIDEN's Violence Against Women Act—providing more money for more police officers, more support for prosecutors, more prevention programs, and more shelters and other services for victims of domestic and sexual violence.

It strengthens federal laws against hate crimes.

And it sets a national drunk-driving standard of .08 percent blood alcohol.

The final bill in our leadership package is S. 10, the Health Protection and Assistance for Older Americans Act.

Democrats have always made protecting Medicare and older Americans a top priority. Six weeks from now, this Congress will receive a report from the Bipartisan Commission on the Future of Medicare. Senate Democrats will consider the Commission's proposals carefully.

But there are 3 proposals we should all be able to agree on now—even before we see the Commission's report—to improve the health and lives of older Americans and their families.

The first proposal addresses a serious health care gap in our country—we refer to it as the ''Medicare buy-in'' proposal, which Senator MOYNIHAN introduced in the 105th Congress. It contains 3 parts. First, it allows people between ages of 55 and 65, and their spouses, to buy into Medicare when their employer downsizes, or their plant shuts down.

Second, it allows people between 62 and 65 who don't have access to group coverage to buy into Medicare. Participants don't have to be retired to be eligible. Some might work for small firms that don't offer benefits, or be self-employed or work part-time in a job that doesn't provide health benefits.

Both of these new coverage options are largely self-financing. The people ''buying in'' will pay premiums, just as they would for private health insurance.

The third part of our proposal is designed to help retirees whose promised health benefits are canceled. It allows these retirees to buy into their former employers' company health plan until they turn 65—a much more affordable option than buying private individual insurance.

We know what people between 55 and 65 are twice as likely as someone just 10 years younger to experience heart disease, cancer and other major health problems. They have less access to health care coverage. They're at greater risk of losing their coverage. And, they're the fastest-growing age group in our Nation. By the year 2010, the number of Americans between 55 and 65 will increase by 60 percent. Let's close this critical gap in our health care system now, before it gets worse.

I also want to tell my colleagues that—although it is not part of our package today—Democrats will be working on a proposal to expand basic Medicare coverage to include prescription drugs. There is no reason that seniors should have to choose between buying medicine and buying groceries.

We will also be making reauthorization of the Older Americans Act a top priority for this Congress. That is the second part of our seniors package.

The Older Americans Act provides ''Meals on Wheels,'' counseling and other vital support services that allow older Americans to maintain their dignity and independence. Authorization for it expired in 1995. Older Americans deserve better. Democrats will be seeking not only appropriate funding, but improvements as well, and Senator MIKULSKI will help lead that effort.

The third proposal in our seniors package will help individuals and their families cope with the financial and emotional strains of long-term care. The centerpiece of this proposal is a new $1,000 tax credit. We'll also help

communities create ''one-stop'' centers that provide counseling and support, including respite care, to family care givers. And, we will create a model long-term care insurance program that will be open to federal employees and retirees and their families. We'll use the negotiated-savings power of the federal government to provide long term care insurance at 15–20 percent below market prices.

That is our leadership package, Senate Democrats' first 5 priorities for the 106th Congress. Pass a real Patients' Bill of Right. Strengthen our children's schools. Increase family incomes. Make our schools and neighborhoods safer. And help older Americans and their families by strengthening Medicare, supporting programs that help seniors maintain their independence, and helping individuals and their families with the financial and emotional costs of long-term care.

OTHER TOP PRIORITIES

Senate Democrats are also introducing 5 other bills today. They, too, are very important priorities for our caucus—and our Nation.

S. 16 is the Congressional Election Campaign Spending Limit and Reform Act. We must end the money chase in politics. It's out of control, and it's destroying people's faith in government, and the ability of government to function. We all know that.

This bill sets voluntary spending limits for Senate candidates—including limits on candidates' personal spending —in exchange for substantially reduced TV costs. It also bans ''soft money'' contributions to national parties, curbs the use of so-called ''issue ads'' and ''independent expenditures,'' and strengthens laws against foreign campaign contributions.

S. 17, the Child Care ACCESS Act, introduced by Senator DODD, gives working parents more safe, affordable child care choices. It includes subsidies and tax credits to help low- and middle-income parents pay for child care, and tax incentives for companies that offer child care for their workers. It also helps states improve pay for child care teachers, and makes other changes that will improve the quality of child care. In addition, it creates more and better after-school programs, so children aren't home alone. And, it provides a new tax credit for ''stay at home parents.''

Full-day child care can cost anywhere from $4,000 a year to $10,000—as much as tuition at a public university. By passing this bill, we can ease some of the financial strain on working families and make sure America's children are safe and well-cared for while their parents are at work.

S. 18, introduced by Senator HARKIN, is the SAFER Meat and Poultry Act. America has the safest food supply in the world. We need to make sure it stays that way. This bill will help by giving USDA the authority to order mandatory recalls of unsafe meat and poultry products instead of relying on voluntary recalls. It also authorizes USDA to levy fines for food violations. The bottom line: it gives USDA the tools it needs to make sure the meat and poultry we buy at the grocery store and eat at restaurants is free of e-coli, salmonella and other harmful bacteria.

In the coming months, Senate Democrats will also be proposing additional new safeguards to ensure that the produce and processed foods Americans eat also meet the highest safety standards.

S. 19 is our Agricultural Safety Net and Market Competitiveness Act of 1999. It is the product of many senators' efforts to bring to rural America some of the same prosperity the rest of America is enjoying.

America's family farmers are currently experiencing their worst economic crisis in at least a decade—and possibly since the Great Depression. This crisis is undermining the economic and social fabric of rural communities all across America. But the implications effect all consumers, regardless of where they live.

Our bill will help family farmers and rural communities get through this crisis by restoring the agricultural safety net, and by more aggressively enforcing laws against anti-competitive business practices in meatpacking and other agriculture industries. It will also reduce the chances of future farm crises by helping producers tap new markets for their products at home, and by ensuring that American farmers have fair access to foreign markets.

Our final bill, S. 20, the Brownfields and Environmental Cleanup Act of 1999, is being introduced by Senator LAUTENBERG. It encourages people to buy and redevelop the tens of thousands of contaminated former industrial sites in communities across the country. Specifically, it provides grants through EPA to help local communities evaluate and clean up contaminated industrial sites. It also provides relief from potential Superfund liability to owners and potential owners who had no hand in causing the contamination. By taking these steps, we can reduce public health risks and help create new jobs and opportunities were they are badly needed.

We do not claim to have all the right answers. But in these proposals, we believe we have at least identified the rights issues. It's clear these are the issues working families want this Congress to deal with. They've told us so time and time again.

Tonight in his State of the Union address, the President will outline his agenda for the coming year. We welcome his ideas. We also welcome the ideas of our Republican colleagues. We are ready to work with the White House and with our colleagues on both sides of the aisle in the spirit of consensus and teamwork to do the work the American people expect us to do.

Last month, there was a dinner in Washington honoring the political leaders who negotiated the ''Good Friday Agreement,'' the historic Northern Ireland peace accord. These are people who have found a way somehow to overcome ancient hatreds and create a new government based on peace and justice. Their new government is still very fragile, and it faces many challenges. But the people at this dinner were convinced they would succeed. As one woman put it, ''There's no turning back. For once, we're doing what Americans do. We believe in ourselves.''

We must believe in ourselves. No generation of Americans has ever said ''we can't meet the great challenges of our time.'' No Congress has ever said that. And this Congress must not say it, either. Let us agree to work together to help America's families. Let us believe in ourselves.

I yield the floor.

Ms. MIKULSKI. Mr. President, I'm proud to join my colleagues in introducing the Democratic agenda for the 106th Congress. I am so proud that the people of Maryland have returned me to the United States Senate for a third term. I promised to continue fighting for their agenda.

That agenda means keeping a robust economy. It means fighting for a safety net for seniors. Maryland's agenda means getting behind our kids and our families. It means fighting for safe streets and a safer world. It means that we have to continue to invest in science and technology. The legislation we are introducing today will help us achieve these goals. It is a Democratic agenda—and it's Maryland's agenda. I would like to highlight a few initiatives that are particularly important.

Our agenda strengthens the safety net for seniors. I believe that when we say ''honor your mother and your father,'' it is not only a good commandment to live by but it is good public policy to govern by. What does that mean? First of all, it means helping Americans with long term care.

Since my first days in Congress, I have been fighting to help people afford the costs of long-term care. Ten years ago, I introduced legislation to change the cruel rules that forced elderly couples to go bankrupt before they could get any help in paying for nursing home care. Because of my legislation, the American Association of Retired Persons tells me that we've kept over six hundred thousand people out of poverty and stopped liens on family farms.

The Democratic agenda will make it easier for families to provide long term care. The agenda also includes my bill to provide long-term care insurance to

federal employees and retirees. This provision is a down-payment on extending long-term care insurance to everyone. It will create a model for other employers to use in providing long-term care insurance for their workers.

The Democratic agenda also includes measures to expand access to Medicare for individuals aged 55 to 64, and, importantly, calls for reauthorizing the Older Americans Act, an effort I helped lead in the last Congress. Although we did not complete action on the reauthorization last year, I hope my colleagues on both sides of the aisle will recognize how critical the OAA programs are to American seniors. In 1994, the last year OAA was authorized, it provided health and welfare information to 3 million seniors, served 240 million meals to low- and moderate-income seniors, and provided more than 800,000 seniors with critical transportation to and from doctor visits and other needed services.

We also recognize that we must get behind our kids and families. We know that our children are our most important resource. Our Democratic agenda puts these words into action. We put the Public Schools Excellence Act at the top of our agenda. That bill will improve achievement by helping communities lower class sizes and help teachers get the training they need for the twenty-first century.

We're also helping communities create structured after school initiatives. The Democratic agenda will enable one million children to participate in safe and constructive after school programs. We'll do this by helping schools and community groups set up after school programs that provide academic enrichment, tutoring, recreation or other beneficial activities.

But we know that we've also got to get behind our families by making sure they have high-quality, affordable health care. The Democratic Patients' Bill of Rights will do just that. It will provide consumers of HMO health care enforceable patient protections. Democrats believe that health care decisions need to be made in the consultation room, not the board room.

This legislation will provide 161 million Americans with critical protections for their health care. It will ensure the right to treatment that is medically necessary by the most appropriate health care provider, using best practices. It will provide continuity of care and patients will have the right to hold their health plans accountable for medical decisions even if it means taking the company to court. Right now, we don't have managed care—we have manacled care, and the Democratic Patients' Bill of Rights will help make sure we put patients ahead of profits.

We're also fighting for a safe world for our children to grow up in. The Democratic crime initiative focuses on prevention, police and punishment. It continues to put more cops on the streets. It helps schools stay free of drugs and violence. And it gives law enforcement more tools to fight international drug pushers and terrorists—who threaten the safety of our world.

We will also focus on ensuring our nation's food supply is safe for consumption. S. 18, The SAFER Meat and Poultry Act, will be a top initiative in the coming Congress. Every person should have confidence that food is fit to eat and imported food is as safe as food produced domestically. Our food supply has gone global. We need global food safety. Too frequently, Americans suffer food borne illness and even death due to the contamination of imported foods. Just last year, infected raspberries were found in my home state, in Montgomery County.

I introduced the Safety of Imported Food Act 1998 and will work with the Democratic leadership to implement safe, effective, and common-sense improvements to our food inspection process, and authorize enforcement tools needed to revolutionize the process and ensure compliance with safety laws.

The Democratic agenda seeks to strengthen our economy by increasing the economic security of working Americans. It does this by increasing the minimum wage and by decreasing taxes that unfairly target working families—like the marriage penalty.

Mr. President, the Democratic agenda is the American agenda. It will help us meet the day to day needs of the American people—and it will also help prepare our nation for the twenty-first century.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, will the floor manager be kind enough to yield 10 minutes?

Mr. DURBIN. I would be happy to yield 10 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, first of all, I wish to join our colleagues in commending our leader for an excellent presentation on the unfinished agenda of the past Congress, as these are really the opening moments of the Congress in terms of dealing with our legislative agenda. It is entirely appropriate that our leaders speak to what we hope will be accomplished during this Congress. Tonight we will listen to the President of the United States meet his responsibilities under the Constitution, addressing the State of the Union. In the next day or so we will hear from the Democratic leader in the House of Representatives, Mr. GEPHARDT, who will outline an agenda for the country as well.

I must at this time say how impressed I am with the outlines of this very thoughtful proposal, a real challenge for the Congress as we begin our important legislative undertakings.

We currently have extraordinary economic prosperity in the United States. It is the excellent leadership of President Clinton, Vice President GORE, and the Administration that has put us into a position to have the strongest economy we have had in any recent period of time, with both economic growth and price stability. That is reflected in enhanced hopes and dreams for working families all across this country.

There are those who have not participated in that economic expansion as much as others, however. We hear the concerns expressed by our Democratic leader, and we will also hear the President tonight speak about how we can make our society a fairer and a more just society and how we can enhance the opportunity to reach out to those who are struggling hard, playing by the rules, trying to provide for their families, who also ought to be able to enjoy the kind of prosperity that we are experiencing.

The Democratic leader outlined a number of different areas with which working families in the United States are most concerned. Sure, we have many—about 75, 78 percent—of our working families that have some kind of health insurance, even though those numbers are gradually dropping and have been dropping quite precipitously in the last 3 or 4 years. But we want to make sure that those working families are going to be able to have health care decisions made by their doctors and by their nurses and not by the insurance companies.

That is why I joined with our Democratic leader in strong support of the Patients' Bill of Rights, a proposal that is effectively supported by every major medical society, every patient organization, and every nursing organization in the country.

We have asked and invited our Republican friends and colleagues to join with us. We have tried to point out the inadequacies of their particular proposal in the fact that it only covers a third of the Americans who are covered by any kind of health insurance, leaving two-thirds of the members of the American family out. But we have been unable to get them to join with us. The professional health community says the way to go is with the health care bill of rights as introduced by the Democratic leader.

Mr. President, the Democratic leader and the President outline another major concern that working families have, and that is the quality of education for their children. Sure, there is primary responsibility for education at the local level, and there is a State interest, but it should also be a matter of national priority. We are looking for partnerships. We are looking for ways of being able to work together.

This particular proposal which the Democratic leader has outlined, has recognized what the General Accounting Office recognized over 2 years ago, and that is that the cost to repair public schools in the United States of America, if they were all to be repaired, would be $110 billion. The President and the Democratic Party stand for trying to help and assist local communities to provide for that reconstruction and, importantly, the modernization of the schools, to work in partnership with the States—not only in terms of the construction but also to make sure we are going to have a qualified teacher in every classroom, that the classrooms, particularly in the early grades, are going to be smaller, and that there are going to be the afterschool programs to help keep children out of trouble and to help and assist children who may be falling further behind to be able to enhance their academic achievements and accomplishments. That makes a great deal of sense, Mr. President.

These particular proposals will be advanced for debate and discussion in the Elementary and Secondary Education Act. We are looking forward to that. We are doing the country's business in working in partnership with States and local communities.

There is also urgency, in terms of ensuring that the parents of working families are going to be secure, in dealing with Social Security. We will hear an outline this evening. The President was good enough to invite Democrats and Republicans to come to the White House and to sit down with him to try to find some common ground. We will hear tonight that he is still strongly committed to trying to work this out in a bipartisan, nonpartisan way. It is the only way that that can be managed. And that is going to be very important. It will be a top priority for our seniors, our children, and our working families.

As the leader has pointed out, there will be an additional program to try to help and assist with many of the needs of the children of this country. That is going to be in legislation which he has outlined here today and which many of us have been interested in in terms of the early start programs, the pre-K programs. We talked to the Nation and made a commitment with the Governors some years ago that every child was going to be ready for school. We have to continue with that commitment. We want every child to be ready for school. We want tough standards at schools. We want to make sure that graduation is more than just an attendance program—that it means children have learned in these schools. I believe we are going to hear about excellent programs this evening and we have the Public Schools Excellence Act's inclusion in education.

The list goes on for the elderly, including the continuation of the Older Americans Act, the Early Medicare Access Act, and Medicare coverage of prescription drugs. I hope we are going to be able, in this Congress, to address the issue of prescription drugs, which is of urgency for so many of our elderly and citizens with disabilities. It is such a burden—we find many of our citizens have to make a choice between the prescriptions that they need and a good meal.

Finally, I want to just mention the sense of hope that we have, many of us, as we look forward to this Congress. Just last week at the White House, the President indicated his strong support for legislation which has been introduced by Senator JEFFORDS from Vermont, Senator ROTH from Delaware, and cosponsored by myself and Senator MOYNIHAN, with regard to ensuring that those individuals, some 54 million Americans who have some disability, are going to be able to work without losing the benefits that they need.

The disabled want to work. They can work. But we have a system, under Medicaid, which discourages them from working by providing financial penalties and the denial of services if they go out and work. We have crafted an effective program that will encourage those disabled to participate in our workforce and in our workplace. They have been excluded for far too long. This legislation starts off as one of the principal pieces of bipartisan legislation, which augurs well, if we are going to be serious about dealing with serious issues. I am very hopeful that this will be one of the first pieces of legislation that will pass. It will make a great deal of difference, not just to the disabled but to all Americans, because who can say today that by this evening they are not going to face some kind of challenge and be faced with some kind of disability as well?

Mr. President, I am hopeful that we will be able to make progress on this agenda. I commend our Democratic leader for advancing it. I think it is one which demands action, and I look forward to working with our colleagues to see what can be achieved in this Congress for improving the quality of life for working families in this Congress.

Mr. President, I ask unanimous consent that the full text of my prepared remarks be printed in the RECORD.

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

Today, Democrats introduce legislation to carry out our priorities in the Senate and create greater opportunities for working families, strengthen our schools, and ensure that citizens are cared for properly in their later years.

We must complete our unfinished business of the last Congress—the Patients' Bill of Rights, high standards for schools, saving Social Security, and raising the minimum wage.

But we also have new ideas for the new century to help move our country forward more effectively.

First, we must improve the quality of health care for all Americans.

Today, we renew the battle in Congress to enact a strong Patients' Bill of Rights to protect American families from abuses by HMOs and managed care health plans that too often put profits over patients' needs.

Our Patients' Bill of Rights will protect families against arbitrary decisions that can rob average citizens of their savings and their peace of mind, and often their health and their very lives. Doctors and patients should make medical decisions, not insurance company accountants. For the millions of Americans who rely on health insurance to protect them and their loved ones when serious illness strikes, the Patients' Bill of Rights is truly a matter of life and death.

Soon, I also intend to offer legislation to deal with an increasingly urgent problem. Elderly and disabled Americans on Medicare spend a disproportionate share of their income on prescription drugs. The elderly make up 12 percent of the population, but account for one-third of all prescription drug purchases. The lack of insurance coverage for these expenses is the most serious gap in Medicare today. Virtually all employer plans offer this coverage, but Medicare does not. The elderly are practically the last group who pay full retail prices for drugs. And the price tag is growing by an astonishing 16 percent each year.

The time has come to address this glaring problem, and I intend to introduce legislation soon to do so.

Today, we also renew the battle for the Early Medicare Access Act. I commend Senator MOYNIHAN for his strong leadership on this issue. More than 3 million Americans aged 55 to 64 have no health insurance today. In the past year, the number of the uninsured in this age group increased at a faster rate than any other segment of the population. They are too young for Medicare, and unable to afford private coverage.

In response to this need, our proposal will enable many uninsured Americans between the ages of 55 and 64 to purchase coverage under Medicare.

In addition to addressing America's health care needs, we must continue our campaign to improve the quality of public schools and help children meet high educational standards.

A high school degree must be more than just a certificate of attendance. It must be a certificate of achievement.

We made progress last year in improving the quality of education, but we are still far from where we need to be. There are serious problems in the nation's schools, and they deserve serious solutions. We are introducing the Public Schools Excellence Act of 1999 to meet the pressing educational needs of communities and schools across the country. Our comprehensive bill addresses four key challenges facing public schools.

First, it will help communities rebuild, modernize and reduce overcrowding in more than 5,000 local public schools.

Second, it will reduce class size by building on the down payment in last year's budget agreement to hire more teachers. Our legislation authorizes a six-year effort to help local schools meet the goal of hiring 100,000 new, qualified teachers, especially for the lower grades.

Third, our bill will ensure that there is a well-trained teacher in every classroom in America. Such teachers are essential for student achievement. Our bill will invest $1.2

billion next year to provide scholarships to recruit outstanding new teachers and to enable current teachers to improve their skills through mentoring programs and other professional development.

Fourth, our proposal will expand the nation's after-school programs. Every day, over 5 million children are left home alone after school. Hundreds of thousands of families are on waiting lists. By investing in after-school programs, we keep children away from drugs, off the streets, and out of trouble, and provide a wholesome learning environment in the afternoons.

Improving education is clearly one of our highest national priorities. But in order for all children to achieve their full potential, we must make significant investments in children long before they ever walk through schoolhouse doors.

Ten years ago, the nation's governors said their number one educational goal was that by the year 2000, all children should enter school ''ready to learn.'' Unfortunately, we will not reach this goal by 2000. One of my priorities in the new Congress is to renew this battle. We are already fighting hard for smaller classes, better teachers, and more modern school facilities, but we can't neglect to invest in education at the very earliest ages.

The next priority is save Social Security. Few issues facing Congress today will have greater long term impact on the lives of more Americans than strengthening Social Security for future generations. For two-thirds of America's senior citizens, Social Security retirement benefits provide more than half their annual income. Without Social Security, half the nation's elderly would be living in poverty.

But it is much more than a retirement program. Thirty percent of its benefits support disabled persons of all ages and their families, and the surviving dependents of breadwinners who have died prematurely. In 1996, Social Security benefits kept over one million children out of poverty as well.

Radical change is unnecessary and unwise. We face a Social Security problem, not a Social Security crisis. The program can be made healthy without dismantling it in the process. It now has enough resources to fully fund current benefits for more than 30 years. If we plan for the future by addressing this problem now, the long-run revenue shortfall can be eliminated with relatively minor adjustments to the system.

Some have suggested that the only way to save Social Security is to privatize a major part of it. Nothing could be further from the truth. In reality, diverting a portion of the payroll taxes from Social Security into private retirement accounts would only make the future Social Security shortfall far greater and would necessitate sharp cuts to the very benefits that senior citizens rely on.

Private accounts, subject to the ups and downs of the stock market, are fine as a supplement to Social Security. But, they are no substitute for Social Security. The guaranteed benefits which Social Security currently provides are the best foundation on which to build for a secure retirement.

More than half of the long-run shortfall can be closed by merely broadening the types of investments made by the trust fund, just as state and municipal public pension funds have done routinely for years. The remainder of the shortfall can be eliminated by several other minor adjustments to the program—without reducing benefit levels.

The overwhelming majority of today's workers would be unaffected by these changes. Current and future beneficiaries would be fully protected, and the guarantee of a secure retirement for America's workers would be preserved through the 21st century.

Another Democratic priority for this year is a much-needed increase in the minimum wage. Today, far too many workers work full time, and yet cannot make ends meet. Minimum wage workers who work 40 hours a week, 52 weeks a year earn just $10,700–$2,900 below the poverty level for a family of three.

Under the leadership of President Clinton, America has enjoyed 6 years of extraordinary economic growth. Unemployment is at its lowest level in a generation. Inflation is the lowest in 40 years. But for too many fellow citizens, it is someone else's boom. Twelve million working Americans are still earning poverty-level wages.

That is why we say now is the time to raise the minimum wage. The bill we introduce today will increase the level by a dollar—50 cents this year and 50 cents next year—and bring the minimum wage to $6.15 an hour by September 2000.

We know who minimum wage workers are. They clean our office buildings. They are teachers aides in classrooms. They care for the chronically ill and the elderly. They are child care workers. They are aides in nursing homes. They sell groceries at the supermarket, and serve coffee at local shops.

In good conscience, as we celebrate the nation's continuing prosperity, we should not consign the millions of Americans who have these jobs to continuing poverty. We must raise the minimum wage, and we must raise it now.

Finally, I look forward to early action by the Senate on the landmark, bipartisan disability legislation that Senator JEFFORDS, Senator ROTH, Senator MOYNIHAN, and I announced last week. Over 75 percent of Americans with disabilities are unemployed. Most want to work—to enjoy the same fruits of their labor and fulfillment of their talents as everyone else in our society.

Our proposal makes this possible. It allows disabled Americans to take jobs without losing the Medicare and other benefits that are their lifeline. It also provides valuable job training and rehabilitation assistance that will give persons with disabilities the skills they need to have and hold a job.

These are important initiatives for the American future—for children, for working families, for the elderly, and for the disabled. These are the kinds of issues that the Senate should already be taking up. It is time to bring the impeachment trial to a fair and quick conclusion, so that we can deal more effectively with these challenges that are of much higher concern to working families.

Mr. BROWNBACK. I ask unanimous consent to speak for up to 10 minutes in morning business.

The PRESIDING OFFICER. The Senator from Kansas.

SOCIAL SECURITY, EDUCATION, AND TAXES

Mr. BROWNBACK. Mr. President, I appreciate the opportunity to address this body for the first time in this legislative session. We will have an exciting session full of business that the American people need conducted in this body.

I am particularly excited about the opportunity for us to deal with issues such as Social Security, creating a real Social Security trust fund instead of robbing from that trust fund, as has taken place for so many years. That money needs to be saved, needs to be used, needs to be kept for the senior citizens or those soon to retire in this Nation. In this legislative session we have that opportunity to create that new Social Security trust fund. That is the top agenda item for the Republicans in the U.S. Senate: Social Security preservation and protection. We need to fight and get it done and do it in a bipartisan fashion.

Second is education, emphasizing local control of education. The notion of creating a national school board is not one that many of us are too enthusiastic about, feeling as if we have too much control out of Washington and not enough local control, not enough people on a localized basis saying here is what we need to do with education, and the notion that we are going to create a national school board is one that a number of us would be opposed to. But helping local units of government get access to Federal funds, more access to put more of that money in the classroom, is something many of us would be very supportive of and be excited about doing, and we are going to attack that tough issue of education to make the schools of this country better for the children of this country.

Third is taxes. Taxes are too high. It is time to reduce the marginal rates. It is time to eliminate the marriage penalty that is a penalty on married couples in this country. That is a ridiculous tax, if you think about it and the difficulties we are facing as a nation. Those three top items—Social Security, education, taxes—are lead items the Republican Senate is going to be putting forward, and I look forward to a hearty session full of those meaty items, dealt with, hopefully, in a bipartisan fashion. I welcome colleagues from the other side of the aisle to help us in solving those difficult issues.

TRIBUTE TO REV. DR. MARTIN LUTHER KING, JR.

Mr. BROWNBACK. Mr. President, the issue I specifically want to address this morning, more than just our legislative agenda, is something that we celebrated yesterday, and that is the tribute to Rev. Dr. Martin Luther King, Jr. and the celebration we had yesterday, on January 18, when we once again paused to remember Dr. King, a man who changed the course of history and America's conscience. Dr. King is one of the few individuals throughout history who has so nobly exemplified the principles of sacrificial love and devotion.

Yesterday, in Kansas, I attended two Dr. King celebrations, one in Topeka and one in Kansas City, and both full of people rededicating themselves to the life of Dr. King and what he had committed himself to and what he had

done. Dr. King dedicated his life to the advancement of individuals in need. He selflessly gave of his time and energy—and his life—in order to bring this country to a higher moral plateau. Dr. King suggested that we should not, as he stated, ''judge success by the index of our salaries or the size of our automobiles, but rather . . . by the quality of our service and relationship to humanity.''

In keeping with that vision, it is not enough to discuss how we can foster change within our communities. We must act and become involved in our communities the way Dr. King involved himself in the late 1950s and throughout the 1960s.

This year, the Martin Luther King, Jr. Holiday observance theme was ''Remember! Celebrate! Act! A day on, not a day off!!'' I cannot think of a better way to honor Dr. King's memory than taking part in our local communities and extending our help to those in need.

I am particularly pleased that Kansas organizations are working to honor Dr. King's memory by their outstanding work in their communities. I regularly visit different charity organizations throughout the State of Kansas, such as the Grace Center, which is a home for unwed mothers, and Bread of Life, which is an inner-city church that is leading community revitalization by partnering with schools and neighborhood organizations to provide scholastic, mentoring, and bible study programs. It is through this important work that we truly demonstrate the sacrificial love required to achieve Dr. King's ''Dream'' of an equal society.

Likewise, in order to realize Dr. King's ''Dream'' we must constantly work to improve our communities. Dr. King suggested that we will one day live in a society that encompasses all the principles for which he fought so hard and valiantly on April 3, 1968, the day before Dr. King's tragic death, he gave the following speech:

> I don't know what will happen now. We've got some difficult days ahead. But it doesn't matter with me now, because I've been to the mountain top. And I don't mind. Like anybody, I would like to live a long life; longevity has its place. But I'm not concerned about that now. I just want to do God's will. And He's allowed me to go up to the mountain. And I've looked over. And I've seen the Promised Land. I may not get there with you. But I want you to know tonight that we as a people will get to the Promised Land. And I'm happy tonight, I'm not worried about anything. I'm not fearing any man. Mine eyes have seen the glory of the coming of the lord.

The day before.

Let us keep pressing up the mountain. We are not in the Promised Land yet. We must keep his faith and his wisdom for our future.

We need to return to those basic values, which Dr. King promoted. Those values are work, family, and most important, the recognition of a higher moral authority. Only through those qualities will we become a nation truly worthy of Dr. King's legacy. Quoting again from Dr. King:

> The ultimate measure of a man is not where he stands in moments of comfort and convenience, but . . . at times of challenge and controversy. The true neighbor will risk his position, his prestige, and even his life for the welfare of others.

Indeed, Dr. King exemplified these qualities in his life. We should all join me in continuing his legacy.

So, as we start this legislative session on the day after we honor Dr. King, let us keep his principles in mind as we press forward in this Nation to the promised land.

Mr. President, I yield the floor.

Mr. DURBIN addressed the Chair

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I yield 10 minutes to the Senator from the State of Washington, Senator MURRAY.

The PRESIDING OFFICER. The Senator from Washington.

CLASS-SIZE REDUCTION

Mrs. MURRAY. Mr. President, I thank my colleague from Illinois for his work this morning, with our leader Senator TOM DASCHLE, in setting out the Democratic priorities that are so important to us and to the American people.

Having just returned from a very short weekend in my State, 2,500 miles away, it is clear that the American people are waiting anxiously to hear what the 106th Congress is planning to do regarding the business of the people. At the top of the list of people's concerns is the education of our young people.

Today, as you heard from our leader, we are presenting a comprehensive set of investments in America's public schools—school construction, before-and-after school care, improvements in teacher quality and class-size reduction.

In the fall of 1998, the U.S. Senate took the first important step on the path to reducing class size. In the fall of 1999, just a few months from now, when parents send their children off to school, they will ask them on the first day, as they always do: ''Who is your teacher? And how many children are in your class?''

But the schools those children attend next fall will have a new tool for helping students learn. Approximately 30,000 new, well-prepared teachers will go into classrooms across this country. Demonstrating that Capitol Hill can listen to the people and get things done, we got the 105th Congress to agree to starting on this important path.

This year, we must finish the job we started last fall. We must provide schools the remainder of the funding necessary to hire 100,000 new and well-trained teachers over the next 6 years. This year, our work will include the reauthorization of the Elementary and Secondary Education Act, the major law that governs K–12 education in this country.

As part of our work, we must authorize the class-size reduction effort we started last year in appropriations. We must finish the job for the people in local school communities who are relying on us to do our job.

People in schools across this Nation are fully engaged in the debate over educational quality and in identifying what works to improve learning for students. Local education leaders know that reducing class size is an effective part of local school improvement.

Research shows that it works and so does the experience of teachers and parents and students. Policymakers and educators know that as they reduce class size, they can also improve the quality of their local teacher pool by improving professional development, training, certification and recruitment.

Local communities are using the Federal class size and teacher quality effort as a way to beef up their own investment in the future of their young people. School boards are taking action. Governors and State legislators are proposing class-size investments this year based on our successful effort last year.

All of these people are moving ahead with class-size reduction, because last year their representatives in Washington, DC, finally heard the call for funding for more and better teachers. They are counting on continued funding, and we have come back this year to get it for them. I just want to take this opportunity to tell people directly—we intend to keep class-size reduction a national priority.

The proposal in the bill that was outlined by our Democratic leader today, and in a bill I will be introducing separately, honors the agreement that we achieved last year. It requires no new forms and no red tape. It focuses on hiring new teachers, but it also makes investments in teacher quality from the onset, and it allows districts that meet their goals of getting to 18 or fewer students in classes in grades 1 through 3 to use the money to improve class size in other grades or to take other steps to improve the quality of their teaching pool.

I can't tell you how many times I have heard from people since the end of last Congress, how thankful they were that their Congress started this important investment in class-size reduction. Students learn better when they get the help they need in their classroom. I have been hearing it from students themselves. They want to thank us for doing the right thing, and they want us to keep it up.

Mr. President, education really matters. This year, we have the country behind us and several major opportunities to seriously improve American schools to meet American expectations. But it will take a lot of hard work and courage to get there. We need all our school laws to work better for local communities, for our teachers and staff, for parents and families, and most importantly, for our students. We must keep in mind that the students are our real clients and organize our work around their needs and not ours.

We need better flexibility, better accountability, better efficiency and better funding. We need to make some important investments in the nuts and bolts of providing education, class-size reduction, better facilities, better training for teachers and more opportunities for students to be safe and to learn. These investments cost money, and we just need to make it happen.

We also need better leadership and vision and articulation of why we are all working so hard—so that students learn better and faster and have more hope for the future.

As a former school board member, I can tell you that sometimes the decisions are not about money, they are about finding the best way to do things so students can learn. And we need to support those decisions as well.

A great example of this was our superintendent, John Stanford, of the Seattle school district. Superintendent Stanford, who died this year after a heroic battle with cancer, showed people in Seattle and around the Nation just what we can accomplish in our schools by setting the right tone, asking for the best effort possible, and not accepting less. Many adults in a community know the superintendent of their district, but never have I seen so many students, young children who knew that John Stanford was their superintendent and that he wanted desperately and personally for them to succeed and they responded.

You will see elements of all these ideas today that address all of these issues—clear vision, more flexibility, better accountability, increased efficiency and improved funding. You will see here what America is asking for its public schools: We need to set high standards, articulate a vision, and give people the support and backing they need to get the job done. When these bills pass into law, you will see American schools that work better, for better results, for all of our children.

I look forward to working with my colleagues and the American people to take these important steps for better schools across our land. As well, I thank our leader for speaking to legislation that he will introduce shortly on health care reform, retirement security, afterschool programs and more. These are the issues the American public wants us to address and work on, and I look forward to working with all of my colleagues to meet these challenges. I hope we can make progress this year and make a difference in the quality of life in all of the families in this country. Thank you, Mr. President.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair.

(The remarks of Mr. BOND pertaining to the introduction of S. 52 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I yield 5 minutes to the Senator from Iowa, Senator HARKIN.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HARKIN. Mr. President, I thank the manager.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. I ask unanimous consent that privileges of the floor be granted to Sarah Lister, a fellow on my staff, during the introduction of S. 18.

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

(The remarks of Mr. HARKIN pertaining to the introduction of S. 18 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

STATE OF THE UNION

Mr. SPECTER. Mr. President, I have sought recognition this morning to comment briefly on the President's State of the Union speech and to introduce legislation, since this is the first day of the 106th Congress when legislation may be introduced.

I applaud President Clinton for proceeding with the State of the Union tonight. Some say that Capitol Hill is schizophrenic with impeachment proceedings in the Senate Chamber, and across the Rotunda we will hear the President's State of the Union speech in the House Chamber. But I believe that it is very important that we take care of the Nation's business. I think that can be accomplished at the same time that we move forward with the Senate being constituted as a Court of Impeachment to decide that issue.

I have noted the advance text of the President's statement commenting on education and his desire to set up incentives to be a condition for Federal funding. I chair the Appropriations' Subcommittee on Education and we will proceed very promptly with hearings on that subject to make a determination, legislatively, as to whether, at least in the view of our subcommittee, those kinds of standards and those kinds of conceptions are appropriate or whether they may constitute too much Federal interference with education which traditionally has been left to the State and local levels. But we are prepared to move right ahead with that legislation, with that consideration.

Noted also from the President's advance text about an intention to deal with the issue of local preparation for responding if—God forbid—there should be weapons of mass destruction unleashed on the American people—again, that is a matter which would come within our Subcommittee on Health. At the same time, there is a commission working on weapons of mass destruction, on legislation which I authored 2 years ago as chairman of the Senate Intelligence Committee. John Deutch, former CIA Director, chairs the commission and I serve as vice chairman of the committee.

We are prepared to move ahead with what the President has offered and what the President has to say. I compliment him for moving ahead with that State of the Union speech to take care of the Nation's business. I believe the Congress will cooperate by moving ahead on two tracks—we can have the Court of Impeachment in the Senate Chamber and the State of the Union speech in the House Chamber, and the Rotunda will not be schizophrenic and we can function.

HEALTH CARE

Mr. SPECTER. Mr. President, I am introducing three legislative matters, including legislation on health care, which has been a focal point of my attention and my tenure in the Senate, and again for my chairmanship of the Appropriations' Subcommittee on Health. I believe that we can move ahead to cover the 43 million Americans who are now not covered within the existing expenditures of $1.100 trillion a year. There are ways to economize. There can be an extension of health care by making it easier for small businesses to pool their resources and buy health insurance, by accelerating the date when there will be full deductibility for health care, and there could be very, very substantial savings possible on matters which are specified in the course of this legislation.

ENTERPRISE ZONES IN AMERICA

Mr. SPECTER. Mr. President, I am introducing, along with the distinguished Senator from Illinois, Senator DURBIN, legislation to deal with America's cities. Some are urgently in need of assistance. Our legislation is not to add new funding through appropriations but, instead, to have the General

Services Administration allocate 15 percent of new expenditures to enterprise zones, to distressed areas, to have Federal buildings constructed, with the priority in cities where there are depressed areas to provide jobs in those areas, and to reinstitute certain historical tax breaks which could be of great benefit for the cities.

ADDITIONAL ALLOCATION FOR NIH

Mr. SPECTER. Mr. President, a third legislative matter is a resolution calling for the Budget Committee to allocate an additional $2 billion to the health account to be used for the National Institutes of Health, being offered on behalf of myself and Senator HARKIN in our continuing effort to see to it that additional funds are allocated for the National Institutes of Health, which is really the crown jewel of the Federal Government. In fact, Mr. President, it may be the only jewel in the Federal Government. We understand that the allocation in health is to a category, but the funds are very, very limited on our subcommittee.

Last year, Senator HARKIN, ranking, and I as chairman, were able to take the lead in some $2 billion to NIH, but it was at the expense of other programs which were very, very important for worker safety, for education programs, for other health programs. We are committing this resolution with that specific request to the Budget Committee.

STEEL INDUSTRY RELIEF

Mr. SPECTER. Mr. President, tomorrow legislation will be introduced by a coalition of bipartisan Senators—Democrats and Republicans—to bring some relief to the steel industry. The steel industry has been very, very hard hit in America. In the past two decades, steel jobs have declined from some 500,000 to about 150,000. Billions of dollars have been invested in the steel industry, and we have had a surge of dumped steel—that is, steel which is sold in the United States at a lower price than it is sold in the country of origin. Russia, with their economy in great distress, will sell steel at any price in the United States to get dollars. A similar problem has evolved, too, in Japan, Korea, Indonesia and other countries.

The Senate Steel Caucus, both on the House side and the Senate side, has held hearings. Senator ROCKEFELLER, vice chairman of the Steel Caucus, and I, in my capacity as chairman, will be introducing the legislation tomorrow with many Senators in support—Senator BYRD, Senator SANTORUM, and many others—as well as representatives of the steelworkers union and the steel industry themselves. On the House side, Representative REGULA of Ohio, who chairs the House Steel Caucus, will be joining us in this legislative introduction.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

ANNUAL STATE OF THE UNION ADDRESS

Mr. DURBIN. Mr. President, this is indeed a strange day on Capitol Hill—January 19, 1999—and I am sure that history will look back on this day as one of stark contrast. It is a day when the President will deliver his State of the Union Address, and of course that is a historic ritual which began with President Wilson and will continue with President Clinton this evening.

The oddity, of course, is that some of the same Members of the House of Representatives who over the span of the last week have stood on the floor of this Senate Chamber and at various times described the President as being ''corrupt'' or ''felonious,'' as being ''one who has turned his back on the law'' will be, tonight, in the House Chamber applauding this President as he comes to the floor.

Many people might view this as somewhat hypocritical. I do not. I think it reflects two basic values in American life: The first and most important is a presumption of innocence, a presumption which is extended to every person when they are accused by their accusers, be it government or otherwise, until proven otherwise.

Today, there is a suggestion that we will hear for the first time the defense of the President and hear the other side of the story. That presumption of innocence, I think, argues that all of us come to the State of the Union Address tonight with an open mind to the issues at hand, serious issues facing the country.

The second and equally important value that will be tested this evening is one which I have seen in my time on Capitol Hill tested time and time again. I can certainly recall at the height of the Iran-contra affair when President Reagan came to give a State of the Union Address. I had very serious concerns about the Iran-contra affair, the sale of arms to an avowed enemy of the United States, the diversion of proceeds from that sale to contras, rebels, in Nicaragua, in direct violation of the law, and all of that proceeding and all of that controversy which led to the eventual prosecution of members of the President's Cabinet.

In the midst of that was a State of the Union Address by President Reagan. Many of us who were critical of the Iran-contra affair came to that State of the Union Address and gave appropriate respect to the President in his presentation to Congress and to the American people.

I expect the same thing to occur tonight. And I expect that what we have heard this morning on the floor from the Democratic side about the agenda that we are hoping to propose and push forward during the coming months will be addressed by the President in his speech. At this point, I reserve the balance of my time.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak for seven minutes.

The PRESIDING OFFICER. Did the Senator request a period of time?

Mr. THOMAS. Seven minutes.

The PRESIDING OFFICER. The Senator is recognized for 7 minutes.

(The remarks of Mr. THOMAS pertaining to the introduction of the legislation are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

(The remarks of Mr. ROBB pertaining to the introduction of the legislation are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

(The remarks of Ms. COLLINS pertaining to the introduction of the legislation are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Ms. COLLINS. I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll to determine the absence of presence of a quorum.

The legislative clerk proceeded to call the roll.

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

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

Mr. DEWINE. I thank the Chair.

(The remarks of Mr. DEWINE pertaining to the introduction of S. 5 and S. 61 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. DEWINE. Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

LEGISLATIVE PRIORITIES

Mrs. HUTCHISON. Mr. President, I am pleased that we are finally getting to introduce bills today. This is, of

course, the first day that we have had that option. I want to talk about the legislative priorities of the majority party in Congress as well as several of the bills that I will be introducing that I believe reflect those priorities.

The leadership of the majority in Congress has just had a press conference talking about the opportunity and the security that we are going to provide with our major bills and priorities this session. We are talking about Social Security reform, trying to make sure we have the security for those who have retired. We are going to add to that pension reform to give more Americans the opportunity to add to that Social Security base. Social Security is supposed to be a base, but every American ought to be adding savings, tax free, as an incentive to have retirement security.

We are going to address education as an opportunity, making sure that every child in America has a chance to succeed with a public education. By that, we are going to give more choices. I will introduce today a bill that I call Options for Excellence in Education, to try to replace the paperwork and bureaucracy of federal education programs with rewards for innovation, excellence, and choice.

In a bill that I will introduce today, the Options for Excellence in Education Act, we are going to give incentive grants to states and school districts that demonstrate exceptional educational progress and practices that translate directly into better student performance. The bill will also build upon a very successful program to place military veterans who wish to teach into schools where there is a need for qualified teachers by expanding the concept to include civilian professionals. Under the program, individuals with special skills and experience will be given stipend while they seek teacher certification under a streamlined state process so that they can translate those skills into benefits for students. We are going to give help to expedite certification so that if a retired military or civilian professional has the ability, for example, to speak Russian or French or has experience in computer science or math, and the school district has an unmet need for teachers with those skills, those professionals can enter the classroom much more easily and cheaply than they could otherwise.

And then we want to grade the ability of the schools through the ability of the children. If those schools that are in the bottom part of the achievement levels don't come up, we want to give more educational options for their students. States will be able under the bill to use federal funds for a variety of school choice options, including allowing students to attend another public school in their area, the expansion of charter schools, magnet schools, or even private school choice if that's what the state wants to do to give kids trapped in failed schools the chance to succeed.

Finally, the bill addresses the need for the construction of new schools that so many of our school districts are facing by giving tax incentives for the private construction or renovation of public schools in low-income and high-growth parts of our country. So that is what my Options for Excellence in Education bill that I am introducing today will do.

We in Congress must also address the issue of economic opportunity. More people in this country are paying more taxes than ever before in our peacetime history. Thirty-eight percent of the average American's salary goes to pay taxes to some government entity. Well, I want to give more of the money people earn back to them to spend as they wish. So one of our key priorities is going to be tax cuts. We are going to propose a 10-percent across-the-board tax cut for every American.

We are also going to supplement that by doing away with the marriage tax penalty. Why in the world do we have tax laws that say to people, if you get divorced we are going give you $1,400? That is essentially what we have today. Twenty-one million American couples pay $1,400 more, on the average, just because they got married.

So I am introducing two bills today to grant marriage tax penalty relief. The first will allow a married couple to split their incomes right down the middle, if doing so would be better for their bottom line tax liability.

The other option for married couples I am proposing to alleviate their tax penalty for having said their vows to just double the standard deduction. Today, the standard deduction for a married couple is $7,100. Instead, we would double the single exemption so it would be $8,500. These are things we can do to equalize the tax burden for those who choose to be married and those who choose to stay single. So certainly in the area of economic opportunity, tax cuts have to be our very first priority.

So we are going to try to do these things and also at the same time make sure that we have a strong national defense. Security for our country as a whole is the No. 1 responsibility of Congress. So we are going to immediately propose legislation to raise military pay.

I will also soon introduce a bill that will go beyond the important issue of pay, and address one of the critical quality of life factors facing our service men and women and their dependents—the quality of health care for military personnel and retirees. One of the biggest complaints that I get when I visit bases in Texas or bases overseas, when I am talking to our troops, is they worry about the health care of their families. They worry that their families are not getting the quality health care that they were promised, that they deserve, and that they must have. Beyond that, they worry about what will happen to their health care and that of their families if they make a long-term commitment and retire from the military.

So I am introducing a bill that will give more choices to our military families so that they can receive quality health care for themselves, and for their families, so that we can retain the best people in the military. We need to recruit better; we need to retain better. To do that, we must pay them a wage that is fair, more competitive with the outside civilian life, and we need to make sure they and their families have quality health care.

On top of that, we want to give them the equipment they need to do the job.

Senator WARNER, the chairman of the Armed Services Committee, is going to have a comprehensive bill that increases the spending on the equipment and on the technology for the future. The main technology that we want to deploy immediately is a missile defense system for our country. Senator THAD COCHRAN has introduced a missile defense technology bill in this Congress. Last year, he lost that bill twice by only one vote. He is going to be up front and center with an absolute priority for our missile defense technology, to go forward at the earliest moment that we can because we don't have a ballistic missile defense not only for our own country and our own shores, but we don't have an effective missile defense for our troops to protect them in the field wherever they might be in the world. That is not acceptable for the world's greatest superpower.

Mr. President, you can see that our priorities for this Congress are fairly simple: enhance the security and expand the educational and economic opportunities of all Americans. Security and opportunity. Security for America through a strong national defense. Economic security for every American to have more of the money they work so hard to earn, to give them more opportunities for retirement security, for better Social Security, and more pension options, and economic opportunity so that every child in America can fulfill his or her potential with a quality education. That is what sets us apart from every other country in the world—a universal, quality education system, which ensures that every child who works hard can reach his or her full potential.

We are eager to move forward with this agenda for security and opportunity for our country. We believe we have a solid agenda with good bills to back it up. And we are starting today. We are going to focus on the people's business. We are going to make sure

that at the end of this year we can say we have given more Americans the money they earn back in their pockets, better retirement security with Social Security reform, and the feeling that they can be secure in the quality of both their national defense and educational systems.

I appreciate very much the opportunity to start talking about our agenda today, to introduce our bills, to get them into committee and to get started on the people's business.

SENATE REPUBLICAN LEGISLATIVE AGENDA

Mr. LOTT. Mr. President, in recent weeks, I have made clear that the Senate would proceed, full speed ahead, with the people's business. Today's legislative action is an important part of that business.

Today, by mutual agreement of Members on both sides of the aisle, we begin the actual introduction of bills and resolutions. Following tradition, Republicans will introduce the first five bills. Senator DASCHLE will then introduce the following five bills.

Of course, this is an occasion, not just to introduce major legislation, but for both parties to explain to the American people the principles behind their bills, and the values that shape them. That is what I would like to do today.

Today's Americans want the same things our people have always sought. They want a better life for themselves and for their children—better, not just in personal economic or financial terms, but also in terms of their community. They want a healthier environment, and decent neighborhoods where children can play without fear or danger.

They want to be able to plan for their own future, while ensuring for their elders the security they want for themselves.

They want a just social order. That means a society that rewards labor and thrift, punishes those who harm others, and cares for those who cannot care for themselves.

Those goals form the great common ground on which the American people stand united. Whatever our many differences and disagreements, we share a commitment to opportunity, to security, and to personal responsibility.

Put the three of those together—opportunity, security, and responsibility—and you have the formula for freedom.

Freedom, after all, is the one overarching concept for which our country stands. It is what the word ''America'' has meant from the very beginning—and not only to those who were blessed enough to live here, but also to the millions of people around the world who lived, and often died, in the hope that someday they might share in that freedom.

But freedom is not a negative commodity.

It is not just the absence of oppression that allows every individual to do whatever he or she wants to do. True freedom is a positive force that turns responsibility into a creative energy that can empower individuals, lift their families, and improve their communities.

That is why the starting point for the Senate Republican agenda is freedom. Not as a slogan, but as the sum total of everything the American people, day by day, work for and hope for: broader opportunity, enhanced security, and stronger personal responsibility.

From that starting point come the first five bills of the 106th Congress. They address both educational opportunity and economic opportunity, because the two are really interdependent. And they deal with issues of security—retirement security, community security, and national security—as fulfillments of our ideal of freedom.

Our first bill deals with one of the most pressing concerns of the American people: Social Security. We are strongly committed to preserving and protecting Social Security for future generations.

Many in the Senate, like RICK SANTORUM and JUDD GREGG, have shown great leadership on this issue. We want this bill to carry the symbolic title of S. 1, even though its substance will not be introduced today. We will hold the number for a while. That is a highly unusual procedure, and I should explain why we are using it in this case.

Over the last several weeks, I have repeatedly urged the President to submit to the Congress and the Nation his own bill to save and strengthen Social Security.

I repeated that plea as recently as this weekend, in a joint letter that Speaker HASTERT and I gave the White House. In that letter, the Speaker and I promised to arrange an unprecedented joint meeting of the House Ways and Means Committee and the Senate Finance Committee to receive and hold hearings on the President's bill.

I have made clear that, if the President will give us his proposals in legislative form, I will introduce his bill here in the Senate. Today, I pledge to honor the President's bill by introducing it as S. 1.

But first, he must send us his bill. That is the way Presidents do business. It is part of presidential leadership. It is part of his job.

I continue to hope that the job will get done. And as a token of our good faith in the Senate, and our willingness to work in a bipartisan spirit, to make sure that Social Security is there for both our parents and our children, I will withhold introducing of S. 1 and reserve that title for the President's bill on Social Security. I hope he will send it to us soon.

The second item on the Republican Senate agenda is education.

Here we have a dilemma: an overabundance of great ideas. Starting today, and in the weeks to follow, Republican Senators will be introducing many bills dealing with education. They will all have one common goal: To make sure this country has the world's best schools.

I won't attempt to offer a comprehensive list of those proposals, because there are so many of them. One consistent theme is to shift decision-making out of Washington and back to parents, teachers, and local officials. In short, the folks who know the kids best—and who know what our schools need to succeed.

That's the principle behind Senator BOND's ''Direct Check,'' Senator HUTCHISON's ''Options for Excellence,'' Senator HUTCHINSON's ''Dollars to the Classroom,'' and Senator GORTON's stalwart campaign to renew and empower State and local education systems.

The same princple—that excellence in education begins at the State and local level—has shaped what will be one of the most important bills of the 106th Congress. It's called Ed-Flex, for Educational Flexibility, and it is not a partisan initiative. It has been jointly advanced by Senators FRIST and WYDEN.

It is strongly supported by all the Nation's Governors. It should be something we can consider and pass quickly.

If we want the 106th Congress to be known as the Education Congress, Ed-Flex is a great way to start. Right off the bat, with virtual unanimity, we can give the States the leeway they need to use their share of federal dollars to meet the needs of students. Around this flag, we should all rally.

A second principle of Republican education reform is consumer choice.

We believe that what is right and productive in every other sector of the economy is equally right—and will be equally productive—in schooling. So we renew our commitment to consumer rights and choice in education: whether through Senator COVERDELL's tax-free education savings accounts, or Senator MCCONNELL's expansion of tuition savings plans; or through Senator SESSION's Class Act extending those plans to non-government colleges; or through Senator KYL's plan to provide parents financial breaks to supplement their children's educational needs; or through the Emergency Scholarships and other lifelines we should extend to low-income families.

A third principle of Republican education reform is equality teaching. Senator MACK's bill on teacher testing leads the way in that regard, along with our other proposals for teacher training and merit pay.

Those three principles, and the issues to which we apply them, come together in the largest education bill that will come before the 106th Congress: the reauthorization of the Elementary and Secondary Education Act, universally known as the E.S.E.A.

In the cafeteria fare of education bills, this one is pizza with the works, even the anchovies. Over the last 33 years, we have spent more than $120 billion through the ESEA. Its reauthorization during the 106th Congress will be our opportunity to assess what has gone right, or wrong, in that process—and to adjust the ESEA to meet the challenges of a changing society in a new century in an unpredictable world.

Senator JEFFORDS, chairman of the Committee on Health, Education, Labor and Pensions, will introduce the reauthorization of the Elementary and Secondary Education Act as the second bill of the 106th Congress.

Our third bill, S. 3, is a tax cut, introduced by Senator GRAMS, Senator ROTH, and others. To be precise, a 10-percent reduction in personal income tax rates. Hence the bill's title: the Tax Cuts for All Americans Act.

Whatever justification this may need in the Congress, it requires no explanation to the American people. They are overworked and overtaxed to meet the demands of government. Senate Republicans want them to keep more of what they earn.

We believe it is wrong—morally wrong—to make the American family pay more in taxes than it spends on food, clothing, housing, and transportation combined. So we propose to reduce their tax burden while making government smaller, smarter, and more efficient.

Our fourth bill, S. 4, is the Soldiers' Bill of Rights, to be introduced by Senator WARNER and his Republican colleagues on the Armed Services Committee. This bill represents the determination of Senate Republicans to rebuild America's national security by restoring the readiness and morale of our Armed Forces.

In other words, it is a small symbol of an enormous commitment.

At the end of the last Congress, the administration proposed to deal with military retirement by robbing the military's readiness funds. That was a terrible idea. It made no sense to offer our servicemen and women a little better retirement while depriving them of the wherewithal to defend themselves and their country. So we blocked that dishonest ploy, and we promised to address the problems of inadequate military pay and retirement early in 1999. Enactment of this bill, S. 4, will fulfill that commitment.

I caution, however, that this legislation must be only the beginning of a larger effort to reverse the decline our Armed Forces have suffered under the current administration. That's going to be a tough job, and a long one, both in the appropriations process and in authorizing legislation. But we owe it to our country—and we owe it to the men and women in uniform—to start that job now, in the 106th Congress, so that America can enter a new century with renewed strength and security.

Crucial to that effort will be the actual deployment of a missile defense system that will protect this country from attack.

President Clinton's opposition frustrated our efforts on this in the 105th Congress. This time around, I hope he will work with us to enact Senator COCHRAN's National Missile Defense Act.

The fifth bill on our agenda, S. 5, deals with the personal safety of the American people. But in this case, the threat to their security comes from within.

The danger is the plague of narcotics. It has become a clear and present danger to our families, our neighborhoods, and even to the security of our Nation.

To combat that danger, Senators DEWINE, ABRAHAM, ASHCROFT, GRASSLEY, and HATCH will introduce the Drug Free Century Act. That title says it all. Our goal is nothing less than laying the groundwork for the day when our country will be free of the curse of drugs. Some will think that is too high a goal, and that Senate Republicans are unrealistic in pursuing it. We are not unrealistic; we are undaunted.

For more years than I like to recall, the Federal Government has tried to reduce the drug plague. And indeed, there was some success, specifically during the Reagan and Bush presidencies.

But its one thing to trim the claws of the narcotics monster, and quite another thing to break its loathsome back.

That is what we propose to do, step by step, with a bill that deals with virtually every aspect of both the domestic and the international fight against drugs. It will impact the operations of most of the federal government, from the Justice Department to the Pentagon, from the State Department to the Coast Guard. It addresses some of the most pressing questions on national drug policy, including the sentencing differential between powder cocaine and crack.

Drug traffickers and their allies in certain foreign countries will not like this bill, nor will the creeps who peddle drugs to school kids. But parents, teachers, and law enforcement officers will cheer it. For its passage will be a clear signal, throughout this country and around the world, that we are serious about winning the war on drugs.

Mr. President, these five pieces of legislation—four introduced today, and one awaiting a draft from President Clinton—lead the Republican agenda for the 106th Congress. But they are not the whole story.

They set the foundation I mentioned earlier—the foundation of opportunity, security, responsibility, and freedom—and we are going to build on that foundation in many ways.

Along with the Drug Free Century Act, we will be moving against juvenile crime, following the lead of Senator HATCH and his colleagues on the Judiciary Committee. And in tandem with the House, we should consider legislation that will prevent Federal judges from turning loose hardened criminals in violation of their own sentences.

On another front, we will soon—by March 1 at the latest—receive the recommendations of our Bipartisan Medicare Commission, and we hope to act on that report.

Even sooner, I will bring to the Senate floor the first major reform of the budget process since it was established in 1974. Our reform package will put an end to the threat of Government shutdowns and stop the abuses of what is dubiously called ''emergency spending.''

We hope to schedule early action on a vital piece of legislation, the Water Resources Development Act, under the leadership of Senator CHAFEE, chairing our Committee on Environment and Public Works.

We will move ahead with a Patients' Bill of Rights that will protect individuals without undermining the integrity and efficiency of our health care system.

And we will continue to uphold the right to life, by advancing again a ban on partial-birth abortions, as proposed by Senator SANTORUM and the Child Custody Protection Act, proposed by Senator ABRAHAM.

To the legislation I have already outlined must be added a score of other matters, from bankruptcy reform and financial services reform to export expansion and trade reform, especially with regard to agricultural products.

And we intend to build upon our landmark welfare reforms by strengthening families, communities, and religious institutions. We should undertake nothing less than the renewal of civil society.

It will take both compassion and common sense to revitalize those areas of our country where the American dream has been no more than a slogan. One approach is to foster the public-private partnerships that can best address the real needs of our communities and enable them to overcome crime, drug abuse, poverty, and educational decay.

That is an agenda of hope and dignity that acknowledges that the solutions to America's problems will ultimately come, not from the Congress or the White House, but from the people.

Granted, the renewal of civil society will be a heroic enterprise, but Americans are equal to it. Today, on behalf

of the Republican Members of the Senate, I pledge that we will do our part to make the 106th Congress, not so much the finale to the troubles and trials of the 20th century, but the threshold to a new American era.

1999—THE YEAR OF AVIATION CAN BE ACCOMPLISHED IN 3 MONTHS

Mr. LOTT. Mr. President, last year the Senate passed S. 2279, the Wendell H. Ford National Air Transportation System Improvement Act of 1998. The Ford Act promised to bring much needed air service to under served communities throughout the Nation through policy changes and market-based incentives. Unfortunately, the Ford Act was not passed into law by the last Congress. I believe that Congress has an obligation to enhance the development of America's smaller air service markets. That is a promise that this Congress can fulfill. It is a promise that this session of Congress will fulfill.

The First Session of the 106th Congress will prove to be critical for our Nation's air passengers. The top aviation policy priority remains a full FAA reauthorization—not just a quick extension of this important agency and the Airports Improvements Program (AIP). A full reauthorization—money plus policies. Commerce Committee Chairman MCCAIN's aviation legislation, submitted this morning, reflects the bipartisan, fundamental provisions for rural air service built in the Ford Act.

Last year, the FAA bill's informal conference was able to reach a consensus on almost all issues. I encourage my colleagues to continue the good work in addressing aviation policies by resuming where the 105th Congress left off. If the provisions that were agreed upon late last year are adopted, Congress will be able to clear this bill before the March 31 deadline and guarantee a smooth, clean continuation of AIP funds.

Mr. President, there is talk of an increase in airline user fees through the passenger facility charges (PFCs). I'm not a fan of user fees and I hope this mechanism is not used for aviation services. These are taxes, period. The goal of this Congress is to cut taxes, not increase them.

Last year, tens of thousands of Mississippians used the skies to travel. Many of these passengers were new customers that chose air travel as a result of greater air service, options and lower fares from a new entrant. These changes allowed the jackson Airport to make several upgrades. I believe that a PFC increase will force passengers to reconsider their travel plans. An increase in the cost of air service, shouldered by the customer, will only serve as a detriment to the commercial airlines, airports and passengers.

Mr. President, increasing regional jet competition and flight service to smaller markets is my focus. Most Americans do not live in hub cities and thus do not benefit from the range of choices through the concentration of air service options. I look forward to working with my colleagues, on both sides of the aisle, and especially on the Commerce Committee to insure that rural and under served communities receive improved flight service options and more affordable airline tickets.

Because Chairman MCCAIN understands the needs of under served markets, and fully appreciates that adequate and affordable air service is a vital economic development issue for smaller cities and rural areas he has been a tremendous help. I am pleased that the chairman has crafted this year's FAA bill according to the principles as set forth in the Ford Act. He too wants to improve the quality and quantity of flights going to and from small airports. He also understands the bipartisan and constructive efforts that went into last year's FAA bill and the need for a full reauthorization.

In addition to the leadership of Chairman MCCAIN, two more of my colleagues have played a vital role in the advancement of this policy. Senator SLADE GORTON of Washington, chairman of the Subcommittee on Aviation, has provided pivotal guidance and has been instrumental in bringing focus to the many aspects of aviation. Senator BILL FRIST proved to be a great asset and a very effective advocate for the rural aviation community during this past session. His hard work and passion brought small and under served communities closer to receiving much needed public policy changes for flight service improvements. I look forward to again working with them this year.

Aviation policy changes always affect the management and administration of our local airports, and this makes many of our airport executives nervous. I rely on their wisdom, because these are the managers who deal day-to-day, face-to-face with Mississippians. Mr. Dirk Vanderleest of Jackson's airport has counseled me on the needs of small and under served markets. His conference in 1998 was key to may aviation thinking, and his efforts to push Mississippi's aviation priorities are appreciated.

I also rely on Mr. Gene Smith of the Golden Triangle Regional Airport in Columbus. He is a patriot who served our Nation during the Vietnam war and for more than 20 years has worked to ensure the east central pocket of Mississippi is involved in commercial aviation. He served as a member of the National Civil Aviation Review Commission where he again distinguished himself.

It is my hope that the recommendations from this commission are not overlooked by this Congress. I implore my colleagues to seek out their Dirk or Gene to find out what their states need.

Mr. President, this Congress does not need a year for aviation policy—it needs 3 months and the work left from the last Congress. Quality air service for all Americans must be the focus of any aviation legislation. Never forget that not everyone lives near a hub. Quality air service is essential for economic development. Quality air service will enable rural Americans to be competitive and spur economic development to under served communities in the 21st century.

DATABASE ANTIPIRACY LEGISLATION

Mr. HATCH. Mr. President, I rise today to speak on an issue of great and escalating importance: database piracy. While perhaps not an issue on the tips of most Americans' tongues, it is nevertheless an issue that has garnered considerable attention in recent years both in the United States and in international forums. The 106th Congress is now the third consecutive Congress in which database legislation will be considered. This is an appropriate reflection of the fact that while intellectual property has become the heart of our Nation's economy, information is its lifeblood.

Utahns are interested in an appropriate balance of interest here. Utah is a leader in the hi-tech and information industries, and is home to both producers and users of information and database collections. Utah is blessed with world class scientists and scholars, genealogists, and computer and hi-tech companies that create new information, organize information, and use information—often using information created by others in innovative ways to create new information or to make it more easily or inexpensively accessible. I would guess that most of my colleagues would find that similarly in their own home states that many of their constituents are interested in this issue at some level because so many are producers or users of information, and often both.

American database providers render an invaluable service by collecting, organizing, and disseminating billions of bits of information from myriad sources of every possible sector of our economy. They give us such widely-used tools as phone books, directories, catalogs, almanacs, encyclopedias, and other reference guides. They provide specialized products like statistical abstracts, medical and pharmaceutical reference tools, stock quotes, pricing guides, genealogical data and countless other sources of information for businesses, researchers, scientists, educators, and consumers. Indeed, it is the information they collect that allows us to predict the weather, to treat disease, to preserve our national security,

to use computers to communicate over global networks, like the Internet, to travel, to buy a home, and even to watch the evening news.

It is not surprising that the cost of creating and maintaining accurate, reliable, and user-friendly databases is significant. Yet, the commercial viability of these products has, for many years, served as an incentive to investment and spawned a thriving information industry in the United States. Nevertheless, events in the past several years have caused some to question the continued viability of these products, raising the question of whether current law is sufficient to maintain the same sort of incentives that have served to keep the United States on the cutting edge of the information age.

The most debated among these is perhaps the 1991 decision in *Feist Publications* v. *Rural Telephone Service Co.*, 499 U.S. 340, in which the Supreme Court rejected the so-called ''sweat of the brow'' theory as a basis for copyright protection for databases. Under Feist, the degree of labor and investment associated with producing a database is irrelevant to the question of copyrightability. Rather, a database may be protected by copyright only where it exhibits a minimum level of originality in the selection and arrangement of its contents. And, even then, the copyright in the database is said to be ''thin'' in that it extends only to the original selection and arrangement of the material but does not protect against the wholesale appropriation of the facts themselves. Thus, Feist made clear that a database owner who spends several years and a substantial amount of money to respond to an unmet market for data cannot look to copyright law for protection against a competitor who seeks ''to reap where he has not sown'' by reproducing and commercializing the same information in a different format, so long as the competing product does not copy the original selection or arrangement of the underlying information, if any. For example, in *Martindale-Hubbell, Inc.* v. *Dunhill Int'l List Co.*, No. 88–6767–CIV–ROETTGER (S.D. Fla. Dec. 30, 1994), the court held that wholesale copying of attorney's names, addresses, and other information from the Martindale-Hubbell directory for inclusion in a competing directly was not infringing.

Having no recourse to copyright law, such database producers must rely on State law regimes of contract and unfair competition to protect their investment. While there has been an ongoing and healthy debate as to whether such protections are sufficient, it is clear that the varying nature of the patchwork of state laws has led, at the very least, to some uncertainty among database producers regarding the degree of protection they may expect.

Also of growing importance is the effect of technology on the database industry as a whole. To a large extent, technology has been the fire that has fueled the growth of the database industry. Many also look to emerging technology as the solution to many of the problems sought to be addressed in the current debate. But while technological measures for protecting databases are still emerging, current technology has greatly contributed to the uncertainty that surrounds existing database protections. As databases move from hard-bound printed text versions to fully searchable electronic information-bases, selection and arrangement of the material becomes less important, and copyright protection is further removed. Thus, a database that in print form might be protected by copyright based on its arrangement of facts would likely no be protected by copyright when the same information is placed in a searchable electronic database where the arrangement of the facts is unimportant. And the digital networked environment has made piracy of databases much easier, both in terms of the facility of reproduction and in terms of the ease of unauthorized access to the contents of the database itself.

Finally, recent international proposals for database legislation and have heightened awareness of database piracy and prompted a greater sense of urgency among some to elevate the level of protection for databases in the United States. Most significant among these is the 1996 directive of the European Union requiring its member states to adopt certain protections for both copyrightable and noncopyrightable databases by January 1, 1998. Of particular relevance is a provision withholding protection for those databases produced in countries that do not afford a similar level of protection for European databases. Thus, failure by the United States to exact legislation extending federal protection to noncopyrightable databases will likely result in the withholding of protection for American databases in Europe—a significant market for U.S. database providers.

Mr. President, I have long been on record as supporting some form of federal protection to fill the gap of protection created by Feist for those databases that are the result of significant effort and investment. Nearly 2 years ago I initiated a process that I hoped would enable Congress to balance the varied interests at stake in order to preserve appropriate incentives for investment in information while promoting the widest possible dissemination of information, as well as the greatest innovation in making information inexpensive and easy to use. I began this process by asking the Copyright Office to conduct a comprehensive study of the issues involved and to make recommendations to the Judiciary Committee. The Register of Copyrights and her staff did an outstanding job in responding to my request, and the Copyright Office issued a formal report in August 1997, shortly before the 104th Congress adjourned.

Congressman COBLE, chairman of the Subcommittee on Courts and Intellectual Property in the House of Representatives, spearheaded the effort to report database legislation in the 105th Congress. His subcommittee reported legislation, which was ultimately passed twice by the House of Representatives in the 105th Congress—once under suspension of the rules an then again as title V of the H.R. 2281, the Digital Millenium Copyright Act. I commend him for the hard work that he has done and for his work in bringing the various parties together on this particular issue.

As my Senate colleagues will recall, while the Coble bill encountered very limited opposition on the House floor, it proved to be more controversial in the Senate. In order to address the outstanding concerns of various information users, I requested that the parties sit down under the auspices of the Judiciary Committee to discuss their differences and seek a resolution that was favorable to all. These discussions went on almost daily for approximately three weeks, and considerable progress was made. Based on these meetings, I put forward a series of discussion drafts that sought to narrow the gaps and arrive at an acceptable solution. While ultimately a solution could not be reached before the Congress adjourned, we did make considerable progress. Each of these discussion drafts represented an additional step toward a resolution, and I believe that in the end we were close to a workable compromise.

As we begin the 106th Congress, I want to stand before my colleagues to reiterate my commitment to the timely enactment of database legislation. There are many people that stand to be affected by such legislation, and many points of view about what the proper approach should be. While I am not wedded to a specific proposal or a particular approach, I do believe that any bill should keep in mind the dual priorities of providing the protections necessary to ensure the continued proliferation of databases in the United States and of protecting widespread access to and dissemination of information. In an effort to build upon the progress we made in the Senate last year, I am sharing with my colleagues a discussion draft that is identical to the last of the discussion drafts I offered last year. I ask unanimous consent that the text of this draft be included in the RECORD immediately after my statement.

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

(See exhibit 1.)

Mr. HATCH. By putting forward this particular draft I do not mean to suggest that this is necessarily the appropriate starting point for debate in the 106th Congress. Provisions of this draft must be read in light of the circumstances in which they were written, mainly the consideration of the conference report on the Digital Millennium Copyright Act. It does, however, represent a number of significant advances toward consensus as well as ideas and principles that I expect will prove useful in crafting a database bill that meets the above-stated objectives. For these reasons I commend it to my colleagues for their consideration. But there are other approaches we should be cognizant of as we work toward the best possible solution.

First, there is a broad unfair competition model that approaches in some ways a property rights model. The foremost example of this approach has been the House's bills over the past few years. I understand that Chairman COBLE has introduced a bill in the House that largely reflects the bill that passed by the House last year and that he will be seeking to forge a consensus in the House based on that proposal. I am pleased that he has made this a priority again this year, and I look forward to working with him as I have been privileged to do on so many prior occasions. For the reference of my colleagues, I ask unanimous consent that Mr. COBLE's bill be printed in the RECORD as an exemple of the broad model of database protection.

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

H. —

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 ''Collections of Information Antipiracy Act''.

SEC. 2. MISAPPROPRIATION OF COLLECTIONS OF INFORMATION.

Title 17, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 14—MISAPPROPRIATION OF COLLECTIONS OF INFORMATION

''Sec.
''1401. Definitions.
''1402. Prohibition against misappropriation.
''1403. Permitted acts.
''1404. Exclusions.
''1405. Relationship to other laws.
''1406. Civil remedies.
''1407. Criminal offenses and penalties.
''1408. Limitations on actions.

"§ 1401. Definitions

''As used in this chapter:

''(1) COLLECTION OF INFORMATION.—The term 'collection of information' means information that has been collected and has been organized for the purpose of bringing discrete items of information together in one place or through one source so that users may access them.

''(2) INFORMATION.—The term 'information' means facts, data, works of authorship, or any other intangible material capable of being collected and organized in a systematic way.

''(3) POTENTIAL MARKET.—The term 'potential market' means any market that a person claiming protection under section 1402 has current and demonstrable plans to exploit or that is commonly exploited by persons offering similar products or services incorporating collections of information.

''(4) COMMERCE.—The term 'commerce' means all commerce which may be lawfully regulated by the Congress.

"§ 1402. Prohibition against misappropriation

''Any person who extracts, or uses in commerce, all or a substantial part, measured either quantitatively or qualitatively, of a collection of information gathered, organized, or maintained by another person through the investment of substantial monetary or other resources, so as to cause harm to the actual or potential market of that other person, or a successor in interest of that other person, for a product or service that incorporates that collection of information and is offered or intended to be offered for sale or otherwise in commerce by that other person, or a successor in interest of that person, shall be liable to that person or successor in interest for the remedies set forth in section 1406.

"§ 1403. Permitted acts

''(a) EDUCATIONAL, SCIENTIFIC, RESEARCH, AND ADDITIONAL REASONABLE USES.—

''(1) CERTAIN NONPROFIT EDUCATIONAL, SCIENTIFIC, OR RESEARCH USES.—Notwithstanding section 1402, no person shall be restricted from extracting or using information for nonprofit educational, scientific, or research purposes in a manner that does not harm directly the actual market for the product or service referred to in section 1402.

''(2) ADDITIONAL REASONABLE USES.—

''(A) IN GENERAL.—Notwithstanding section 1402, an individual act of use or extraction of information done for the purpose of illustration, explanation, example, comment, criticism, teaching, research, or analysis, in an amount appropriate and customary for that purpose, is not a violation of this chapter, if it is reasonable under the circumstances. In determining whether such an act is reasonable under the circumstances, the following factors shall be considered:

''(i) The extent to which the use or extraction is commercial or nonprofit.

''(ii) The good faith of the person making the use or extraction.

''(iii) The extent to which and the manner in which the portion used or extracted is incorporated into an independent work or collection, and the degree of difference between the collection from which the use or extraction is made and the independent work or collection.

''(iv) Whether the collection from which the use or extraction is made is primarily developed for or marketed to persons engaged in the same field or business as the person making the use or extraction.

In no case shall a use or extraction be permitted under this paragraph if the used or extracted portion is offered or intended to be offered for sale or otherwise in commerce and is likely to serve as a market substitute for all or part of the collection from which the use or extraction is made.

''(B) DEFINITION.—For purposes of this paragraph, the term 'individual act' means an act that is not part of a pattern, system, or repeated practice by the same party, related parties, or parties acting in concert with respect to the same collection of information or a series of related collections of information.

''(b) INDIVIDUAL ITEMS OF INFORMATION AND OTHER INSUBSTANTIAL PARTS.—Nothing in this chapter shall prevent the extraction or use of an individual item of information, or other insubstantial part of a collection of information, in itself. An individual item of information, including a work of authorship, shall not itself be considered a substantial part of a collection of information under section 1402. Nothing in this subsection shall permit the repeated or systematic extraction or use of individual items or insubstantial parts of a collection of information so as to circumvent the prohibition contained in section 1402.

''(c) GATHERING OR USE OF INFORMATION OBTAINED THROUGH OTHER MEANS.—Nothing in this chapter shall restrict any person from independently gathering information or using information obtained by means other than extracting it from a collection of information gathered, organized, or maintained by another person through the investment of substantial monetary or other resources.

''(d) USE OF INFORMATION FOR VERIFICATION.—Nothing in this chapter shall restrict any person from extracting or using a collection of information within any entity or organization, for the sole purpose of verifying the accuracy of information independently gathered, organized, or maintained by that person. Under no circumstances shall the information so used be extracted from the original collection and made available to others in a manner that harms the actual or potential market for the collection of information from which it is extracted or used.

''(e) NEWS REPORTING.—Nothing in this chapter shall restrict any person from extracting or using information for the sole purpose of news reporting, including news gathering, dissemination, and comment, unless the information so extracted or used is time sensitive and has been gathered by a news reporting entity, and the extraction or use is part of a consistent pattern engaged in for the purpose of direct competition.

''(f) TRANSFER OF COPY.—Nothing in this chapter shall restrict the owner of a particular lawfully made copy of all or part of a collection of information from selling or otherwise disposing of the possession of that copy.

"§ 1404. Exclusions

''(a) GOVERNMENT COLLECTIONS OF INFORMATION.—

''(1) EXCLUSION.—Protection under this chapter shall not extend to collections of information gathered, organized, or maintained by or for a government entity, whether Federal, State, or local, including any employee or agent of such entity, or any person exclusively licensed by such entity, within the scope of the employment, agency, or license. Nothing in this subsection shall preclude protection under this chapter for information gathered, organized, or maintained by such an agent or licensee that is not within the scope of such agency or license, or by a Federal or State educational institution in the course of engaging in education or scholarship.

''(2) EXCEPTION.—The exclusion under paragraph (1) does not apply to any information required to be collected and disseminated—

''(A) under the Securities Exchange Act of 1934 by a national securities exchange, a registered securities association, or a registered securities information processor, subject to section 1405(g) of this title; or

''(B) under the Commodity Exchange Act by a contract market, subject to section 1405(g) of this title.

''(b) COMPUTER PROGRAMS.—

''(1) PROTECTION NOT EXTENDED.—Subject to paragraph (2), protection under this chapter shall not extend to computer programs, including, but not limited to, any computer program used in the manufacture, production, operation, or maintenance of a collection of information, or any element of a computer program necessary to its operation.

''(2) INCORPORATED COLLECTIONS OF INFORMATION.—A collection of information that is otherwise subject to protection under this chapter is not disqualified from such protection solely because it is incorporated into a computer program.

''(c) DIGITAL ONLINE COMMUNICATIONS.—Protection under this chapter shall not extend to a product or service incorporating a collection of information gathered, organized, or maintained to address, route, forward, transmit, or store digital online communications or provide or receive access to connections for digital online communications.

''§ 1405. Relationship to other laws

''(a) OTHER RIGHTS NOT AFFECTED.—Subject to subsection (b), nothing in this chapter shall affect rights, limitations, or remedies concerning copyright, or any other rights or obligations relating to information, including laws with respect to patent, trademark, design rights, antitrust, trade secrets, privacy, access to public documents, and the law of contract.

''(b) PREEMPTION OF STATE LAW.—On or after the effective date of this chapter, all rights that are equivalent to the rights specified in section 1402 with respect to the subject matter of this chapter shall be governed exclusively by Federal law, and no person is entitled to any equivalent right in such subject matter under the common law or statutes of any State. State laws with respect to trademark, design rights, antitrust, trade secrets, privacy, access to public documents, and the law of contract shall not be deemed to provide equivalent rights for purposes of this subsection.

''(c) RELATIONSHIP TO COPYRIGHT.—Protection under this chapter is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection or limitation, including, but not limited to, fair use, in any work of authorship that is contained in or consists in whole or part of a collection of information. This chapter does not provide any greater protection to a work of authorship contained in a collection of information, other than a work that is itself a collection of information, than is available to that work under any other chapter of this title.

''(d) ANTITRUST.—Nothing in this chapter shall limit in any way the constraints on the manner in which products and services may be provided to the public that are imposed by Federal and State antitrust laws, including those regarding single suppliers of products and services.

''(e) LICENSING.—Nothing in this chapter shall restrict the rights of parties freely to enter into licenses or any other contracts with respect to the use of collections of information.

''(f) COMMUNICATIONS ACT OF 1934.—Nothing in this chapter shall affect the operation of the provisions of the Communications Act of 1934 (47 U.S.C. 151 et seq.), or shall restrict any person from extracting or using subscriber list information, as such term is defined in section 222(f)(3) of the Communications Act of 1934 (47 U.S.C. 222(f)(3)), for the purpose of publishing telephone directories in any format.

''(g) SECURITIES AND COMMODITIES MARKET INFORMATION.—

''(1) FEDERAL AGENCIES AND ACTS.—Nothing in this chapter shall affect—

''(A) the operation of the provisions of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Commodity Exchange Act (7 U.S.C. 1 et seq.);

''(B) the jurisdiction or authority of the Securities and Exchange Commission and the Commodity Futures Trading Commission; or

''(C) the functions and operations of self-regulatory organizations and securities information processors under the provisions of the Securities Exchange Act of 1934 and the rules and regulations thereunder, including making market information available pursuant to the provisions of that Act and the rules and regulations promulgated thereunder.

''(2) PROHIBITION.—Notwithstanding any provision in subsection (a), (b), (c), (d), or (f) of section 1403, nothing in this chapter shall permit the extraction, use, resale, or other disposition of real-time market information except as the Securities Exchange Act of 1934, the Commodity Exchange Act, and the rules and regulations thereunder may otherwise provide. In addition, nothing in subsection (e) of section 1403 shall be construed to permit any person to extract or use real-time market information in a manner that constitutes a market substitute for a real-time market information service (including the real-time systematic updating of or display of a substantial part of market information) provided on a real-time basis.

''(3) DEFINITION.—As used in this subsection, the term 'market information' means information relating to quotations and transactions that is collected, processed, distributed, or published pursuant to the provisions of the Securities Exchange Act of 1934 or by a contract market that is designated by the Commodity Futures Trading Commission pursuant to the Commodity Exchange Act and the rules and regulations thereunder.

''§ 1406. Civil remedies

''(a) CIVIL ACTIONS.—Any person who is injured by a violation of section 1402 may bring a civil action for such a violation in an appropriate United States district court without regard to the amount in controversy, except that any action against a State governmental entity may be brought in any court that has jurisdiction over claims against such entity.

''(b) TEMPORARY AND PERMANENT INJUNCTIONS.—Any court having jurisdiction of a civil action under this section shall have the power to grant temporary and permanent injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent a violation of section 1402. Any such injunction may be served anywhere in the United States on the person enjoined, and may be enforced by proceedings in contempt or otherwise by any United States district court having jurisdiction over that person.

''(c) IMPOUNDMENT.—At any time while an action under this section is pending, the court may order the impounding, on such terms as it deems reasonable, of all copies of contents of a collection of information extracted or used in violation of section 1402, and of all masters, tapes, disks, diskettes, or other articles by means of which such copies may be reproduced. The court may, as part of a final judgment or decree finding a violation of section 1402, order the remedial modification or destruction of all copies of contents of a collection of information extracted or used in violation of section 1402, and of all masters, tapes, disks, diskettes, or other articles by means of which such copies may be reproduced.

''(d) MONETARY RELIEF.—When a violation of section 1402 has been established in any civil action arising under this section, the plaintiff shall be entitled to recover any damages sustained by the plaintiff and defendant's profits not taken into account in computing the damages sustained by the plaintiff. The court shall assess such profits or damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's gross revenue only and the defendant shall be required to prove all elements of cost or deduction claims. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. The court in its discretion may award reasonable costs and attorney's fees to the prevailing party and shall award such costs and fees where it determines that an action was brought under this chapter in bad faith against a nonprofit educational, scientific, or research institution, library, or archives, or an employee or agent of such an entity, acting within the scope of his or her employment.

''(e) REDUCTION OR REMISSION OF MONETARY RELIEF FOR NONPROFIT EDUCATIONAL, SCIENTIFIC, OR RESEARCH INSTITUTIONS.—The court shall reduce or remit entirely monetary relief under subsection (d) in any case in which a defendant believed and had reasonable grounds for believing that his or her conduct was permissible under this chapter, if the defendant was an employee or agent of a nonprofit educational, scientific, or research institution, library, or archives acting within the scope of his or her employment.

''(f) ACTIONS AGAINST UNITED STATES GOVERNMENT.—Subsections (b) and (c) shall not apply to any action against the United States Government.

''(g) RELIEF AGAINST STATE ENTITIES.—The relief provided under this section shall be available against a State governmental entity to the extent permitted by applicable law.

''§ 1407. Criminal offenses and penalties

''(a) VIOLATION.—

''(1) IN GENERAL.—Any person who violates section 1402 willfully, and—

''(A) does so for direct or indirect commercial advantage or financial gain, or

''(B) causes loss or damage aggregating $10,000 or more in any 1-year period to the person who gathered, organized, or maintained the information concerned,

shall be punished as provided in subsection (b).

''(2) INAPPLICABILITY.—This section shall not apply to an employee or agent of a nonprofit educational, scientific, or research institution, library, or archives acting within the scope of his or her employment.

''(b) PENALTIES.—An offense under subsection (a) shall be punishable by a fine of not more than $250,000 or imprisonment for not more than 5 years, or both. A second or subsequent offense under subsection (a) shall be punishable by a fine of not more than $500,000 or imprisonment for not more than 10 years, or both.

''§ 1408. Limitations on actions

''(a) CRIMINAL PROCEEDINGS.—No criminal proceeding shall be maintained under this chapter unless it is commenced within three years after the cause of action arises.

''(b) CIVIL ACTIONS.—No civil action shall be maintained under this chapter unless it is commenced within three years after the cause of action arises or claim accrues.

''(c) ADDITIONAL LIMITATION.—No criminal or civil action shall be maintained under this chapter for the extraction or use of all or a substantial part of a collection of information that occurs more than 15 years after the portion of the collection that is extracted or used was first offered for sale or otherwise in commerce, following the investment of resources that qualified that portion of the collection for protection under this chapter. In no case shall any protection under this chapter resulting from a substantial investment of resources in maintaining a preexisting collection prevent any use or extraction of information from a copy of the preexisting collection after the 15 years have expired with respect to the portion of that preexisting collection that is so used or extracted, and no liability under this chapter shall thereafter attach to such acts of use or extraction.''.

SEC. 3. CONFORMING AMENDMENTS.

(a) TABLE OF CHAPTERS.—The table of chapters for title 17, United States Code, is amended by adding at the end the following:

''14. Misappropriation of Collections of Information ..... 1401''.

(b) DISTRICT COURT JURISDICTION.—(1) Section 1338 of title 28, United States Code, is amended—

(A) in the section heading by inserting ''**misappropriations of collections of information,**'' after ''**trade-marks,**''; and

(B) by adding at the end the following:

''(d) The district courts shall have original jurisdiction of any civil action arising under chapter 14 of title 17, relating to misappropriation of collections of information. Such jurisdiction shall be exclusive of the courts of the States, except that any action against a State governmental entity may be brought in any court that has jurisdiction over claims against such entity.''.

(2) The item relating to section 1338 in the table of sections for chapter 85 of title 28, United States Code, is amended by inserting ''misappropriations of collections of information,'' after ''trade-marks,''.

(c) PLACE FOR BRINGING ACTIONS.—(1) Section 1400 of title 28, United States Code, is amended by adding at the end the following:

''(c) Civil actions arising under chapter 14 of title 17, relating to misappropriation of collections of information, may be brought in the district in which the defendant or the defendant's agent resides or may be found.''.

(2) The section heading for section 1400 of title 28, United States Code, is amended to read as follows:

''§ 1400. Patents and copyrights, mask works, designs, and collections of information''.

(3) The item relating to section 1400 in the table of sections at the beginning of chapter 87 of title 28, United States Code, is amended to read as follows:

''1400. Patents and copyrights, mask works, designs, and collections of information.''.

(d) COURT OF FEDERAL CLAIMS JURISDICTION.—Section 1498(e) of title 28, United States Code, is amended by inserting ''and to protections afforded collections of information under chapter 14 of title 17'' after ''chapter 9 of title 17''.

SEC. 4. EFFECTIVE DATE.

(a) IN GENERAL.—This title and the amendments made by this title shall take effect on the date of the enactment of this Act, and shall apply to acts committed on or after that date.

(b) PRIOR ACTS NOT AFFECTED.—No person shall be liable under chapter 14 of title 17, United States Code, as added by section 2 of this Act, for the use of information lawfully extracted from a collection of information prior to the effective date of this Act, by that person or by that person's predecessor in interest.

Mr. HATCH. Second, there are many who believe a narrower unfair competition model is preferable to the model set forth in the Coble bill. One such proposal has been proposed by certain commercial database users, with the support of the scientific, education, and library communities. I ask unanimous consent that this proposal also be printed in the RECORD.

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

PROPOSED BILL TO AMEND TITLE 17, UNITED STATES CODE, TO PROMOTE RESEARCH AND FAIR COMPETITION IN THE DATABASES INDUSTRY

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 ''Database Fair Competition and Research Promotion Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the United States workforce is increasingly engaged in the creation, processing, distribution, and maintenance of information in interstate and foreign commerce;

(2) comprehensive, trustworthy databases are increasingly a fundamental component of scientific, educational, and social progress;

(3) such databases are also critical to the operation of financial markets and the burgeoning electronic commerce;

(4) the United States public benefits from having ready access to reliable, up-to-date databases concerning virtually all the endeavors of mankind;

(5) the production of accurate, trustworthy databases requires the investment of substantial amounts of human, technical, and financial resources to compile, sort, organize, maintain, verify, and distribute;

(6) the wholesale, unauthorized duplication and dissemination of another person's information product constitutes market-destructive free riding on the investment of the information compiler;

(7) advances in digital technology render information products increasingly vulnerable to database piracy as unauthorized copies may be made and transmitted around the world in a few seconds;

(8) current Federal and State laws, including laws governing copyright, contract, and misappropriation, do not adequately protect investments against this free riding;

(9) the continuing development of digital technology has enabled even the smallest information provider to transact business on a national scale, rendering uniformity essential to the continued growth of interstate commerce;

(10) technology safeguards do not adequately deter database piracy, because such safeguards are not foolproof, add to the cost and difficulty of accessing and delivering information, and provide no recourse once the safeguards have been circumvented;

(11) the United States should set the world standard for effective and balanced database protection, and make a determined effort to ensure similar international protection of these valuable information products;

(12) while wholesale duplication by a competitor diminishes the incentive to invest in database creation, transformative use of the information in new products promotes fair competition, innovation, and consumer welfare;

(13) transformative uses of information are also critical to scientific research and the advancement of knowledge;

(14) transformative uses of information are essential to free speech, a free press, and democratic institutions;

(15) any legal regime designed to prevent unfair competition in databases must be carefully crafted so as not to prevent fair competition;

(16) in addition to database piracy, database publishers are also harmed by other publishers misrepresenting various aspects of the information included in their database, including its source, currency, and comprehensiveness;

(17) these misrepresentations also harm consumers who rely upon them, thereby diminishing the credibility of the database industry as a whole;

(18) new legislation is needed to protect the substantial investments involved in the production and dissemination of databases in interstate commerce.

SEC. 3. PROMOTION OF FAIR DATABASE COMPETITION.

Title 17, United States Code, is amended by adding at the end the following new chapter:

''CHAPTER 14—FAIR DATABASE COMPETITION

Sec.

''1401. Prohibition Against Duplication.
''1402. Permitted acts.
''1403. Exclusions.
''1404. Prohibition Against Misrepresentation.
''1405. Definitions.
''1406. Relationship to other laws.
''1407. Limitations on Liability.
''1408. Civil remedies.
''1409. Limitations on actions.

''SEC. 1401. PROHIBITION AGAINST DUPLICATION.

''It is unlawful for a person to duplicate a database collected and organized by another person in a database that competes in commerce with that other database.

''SEC. 1402. PERMITTED ACTS.

''(a) COLLECTING OR USE OF INFORMATION OBTAINED THROUGH OTHER MEANS.—Nothing in this chapter shall restrict any person from independently collecting information or using information obtained by means other than by duplicating it from a database collected and organized by another person.

''(b) NEWS REPORTING.—Nothing in this chapter shall restrict any person from duplicating a database for the sole purpose of news reporting, including news gathering and dissemination, or comment, unless the information duplicated is time sensitive and has been collected by a news reporting entity, and the duplication is part of a consistent pattern engaged in for the purpose of direct competition.

''(c) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES.—Nothing in this chapter shall prohibit an officer, agent, or employee of the United States, a State, or a political subdivision of a State, or a person acting under contract of one of the enumerated officers, agents or employees, from duplicating a database as part of lawfully authorized confidential investigative, protective, or intelligence activities.

''(d) GENEALOGICAL INFORMATION.—

''(1) IN GENERAL.—No person shall be restricted from using genealogical information for nonprofit, religious purposes, or from using, for private, noncommercial purposes, genealogical information that has been gathered, organized, or maintained for nonprofit, religious purposes.

''(2) DEFINITION.—For purposes of this subsection, ''genealogical information'' includes, but is not limited to, data indicating the date, time, and/or place of an individual's birth, christening, marriage, death, or burial, the identity of an individual's parents, spouse, children or siblings, and other information useful in determining the identity of ancestors.

''(e) SCIENTIFIC, EDUCATIONAL, OR RESEARCH USES.—No person or entity who for scientific, educational, or research purposes duplicates the same information that has been collected or generated by another person or entity shall incur liability under this chapter so long as such conduct is not part of a consistent pattern engaged in either for the purpose of direct competition with that other person or for the purpose of avoiding payment of reasonable fees for access to a database incorporated into a product or service specifically marketed for educational or research purposes.

''SEC. 1403. EXCLUSIONS.

''(a) GOVERNMENT INFORMATION.—

''(1) EXCLUSION.—Protection under Section 1 shall not extend to government databases.

''(2) The incorporation of all or part of a government database into a non-government database does not preclude protection for the portions of the non-government database which came from a source other than the government database.

''(3) Nothing in this chapter shall prevent a federal, state, or local government entity from determining that a database, the creation or maintenance of which is substantially funded by that entity, shall not be subject to the protection afforded under this chapter.

''(b) DATABASES RELATED TO DIGITAL COMMUNICATIONS.—Protection under Section 1 does not extend to a database incorporating information collected or organized to perform the function of addressing, routing, forwarding, transmitting, or storing digital online communications or the function of providing or receiving connections for digital online communications.

''(c) COMPUTER PROGRAMS.—

''(1) PROTECTION NOT EXTENDED.—Subject to paragraph (2), protection under Section 1 shall not extend to computer programs, including, but not limited to, any computer program used in the manufacture, production, operation, or maintenance or a database, or any element of a computer program necessary to its operation.

''(2) INCORPORATED DATABASES.—A database that is otherwise subject to protection under Section 1 is not disqualified from such protection solely because it resides in a computer program, so long as the database does not, in whole or in part, function as an element necessary to the operation of the computer program.

''(d) NONPROTECTABLE SUBJECT MATTER.—Protection for databases under Section 1 does not extend to any idea, fact, procedure, system, method of operation, concept, principle or discovery, as distinct from a database protected under Section 1.

''SEC. 1404. PROHIBITION AGAINST MISREPRESENTATION.

''It shall be unlawful for any person, in connection with the use in commerce of any database, to misrepresent:

''(a) the sponsorship or approval of the database by any other person;

''(b) the affiliation, connection, or association of the person with any other person;

''(c) the qualities of the information contained in the database, including its source, currency, or comprehensiveness; or

''(d) the extent of the person's responsibility for the collection and organization of the information contained in the database.

''SEC. 1405. DEFINITIONS.

''As used in this chapter:

''(1) DATABASE.—The term 'database' means a collection of discrete items of information that have been collected and organized in a single place, or in such a way as to be accessible through a single source, through the investment of substantial monetary or other resources, for the purpose of providing access to those discrete items of information by users of the database.

''(2) INFORMATION.—The term 'information' means facts, data, or any other intangible material capable of being collected and organized in a systematic way, with the exception of works of authorship.

''(3) COMMERCE.—The term 'commerce' means all commerce which may be lawfully regulated by the Congress.

''(4) COMPETES IN COMMERCE.—The term 'competes in commerce' means that the database (A) is substantially the same as the protected database, (B) displaces substantial sales or licenses of the protected database; and (C) is either offered for sale or license for commercial advantage or is distributed to the public over a digital network, in such a manner as to significantly diminish the incentive to invest in the collecting or organizing of the protected database.

''(5) GOVERNMENT DATABASE.—The term 'government database' means a database (A) that has been collected or maintained by the United States of America; or (B) that is required by federal statute or regulation to be collected or maintained, to the extent so required.

''SEC. 1406. RELATIONSHIP TO OTHER LAWS.

''(a) OTHER RIGHTS NOT AFFECTED.—Subject to subsection (b), nothing in this chapter shall affect rights, limitations, or remedies concerning copyright, or any other rights or obligations relating to information, including laws with respect to patent, trademark, design rights, antitrust, trade secrets, privacy, access to public documents, misuse, and the law of contract.

''(b) PREEMPTION OF STATE LAW.—On or after the effective date of this chapter, all rights that are equivalent to the rights specified in section 1 with respect to the subject matter of this chapter shall be governed exclusively by Federal law, and no person is entitled to any equivalent right in such subject matter under the common law or statutes of any State.

''(c) LICENSING.—Subject to the provisions on misuse in Section 7(b), nothing in this chapter shall restrict the rights of parties freely to enter into licenses or any other contracts with respect to the use of information.

''(d) COMMUNICATIONS ACT OF 1934.—Nothing in this chapter shall affect the operation of the Communications Act of 1934 (47 U.S.C. 151 et seq.). Nor shall this chapter restrict any person from using subscriber list information, as such term is defined in section 222(f)(3) of the Communications Act of 1934 (47 U.S.C. 222(f)(3)).

''(e) SECURITIES EXCHANGE AND COMMODITY EXCHANGE ACT.—Nothing in this chapter shall affect the operation of the provisions of the Securities Exchange Act of 1934 of the Commodity Exchange Act.

''SEC. 1407. LIMITATIONS ON LIABILITY.

''(a) SERVICE PROVIDER LIABILITY.—

''(1) Subject to the limitations of paragraph (2), a provider of online services or network access, or the operator of facilities therefor, shall not be liable for a violation of Section 1 by reason of:

''(A) transmitting, routing, or providing connections for, material through a system or network controlled or operated by or for the service provider;

''(B) providing storage of that material on a system or network controlled by or operated for the service provider; or

''(C) referring or linking users to an online location at which infringing material is located.

''(2) CONDITIONS.—The limitation on liability set forth in paragraph (1)(B) and (C) shall apply, provided that—

''(A) the service provider did not initially place the material on the system;

''(B) the service provider does not have actual knowledge that the material violates Section 1 or, in the absence of such actual knowledge, is not aware of facts or circumstances from which such violation is apparent; or

''(C) upon obtaining such knowledge or awareness, acts expeditiously to remove the material or to disable its use, to the extent such removal or disablement is technically feasible, effective and economically reasonable.

''(3) NOTIFICATION OF CLAIMED VIOLATION.—A service provider will be presumed to have actual knowledge of a violation of Section 1 if it receives adequate notification of a claimed violation in compliance with the requirements as set forth in 17 U.S.C. §512(c)(4) from a person who is injured by a violation of Section 1 or his designated agents.

''(4) REENABLING OF USE.—If a person claiming to be injured by a violation of Section 1 does not obtain a court order enjoining the alleged violation within ten days of the service provider disabling the use, the alleged infringer may request the service provider to reenable the use; and upon receiving such request in compliance with the requirements as set forth in 17 U.S.C. §512(f)(3), the service provider may reenable the use without becoming liable for a violation of Section 1.

''(5) LIMITATION ON OTHER LIABILITY.—A service provider shall not be liable to any claim based on the service provider's good faith removal, or disabling of a use, of material claimed to violate Section 1 or based on facts or circumstances from which such violation is apparent, regardless of whether a violation is ultimately determined to have occurred.

''(6) MISREPRESENTATIONS.—Any person who knowingly misrepresents that material or activities violate Section 1 shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged violator or by the service provider who is injured by such misrepresentation.

''(b) MISUSE.—The relief provided under this chapter shall not be available to a person who misuses the protection afforded a database under this chapter. In determining whether a person has misused the protection afforded under this chapter, a court shall consider, among other factors:

''(1) The extent to which the ability of persons to engage in the permitted acts under this chapter has been frustrated by contractual arrangements or technological measures;

''(2) the extent to which information contained in a database that is the sole source

of the information contained therein is made available through licensing or sale on reasonable terms and conditions;

''(3) the extent to which the license or sale of information contained in a database protected under this chapter has been conditioned on the acquisition or license of any other product or service, or on the performance of any action, not directly related to the license or sale;

''(4) the extent to which access to information necessary to research, competition, or innovation purposes has been prevented;

''(5) the extent to which the manner of asserting rights granted under this chapter constitutes a barrier to entry into the relevant database market; and

''(6) the extent to which the judicially developed doctrines of misuse in other areas of the law may appropriately be extended to the case in controversy.

''SEC. 1408. CIVIL REMEDIES.

''(a) CIVIL ACTIONS.—Any person who is injured by a violation of Section 1 or Section 4 may bring a civil action for such a violation in an appropriate United States district court without regard to the amount in controversy, except that any action against a State government entity may be brought in any court that has jurisdiction over claims against such entity.

''(b) TEMPORARY AND PERMANENT INJUNCTIONS.—Any court having jurisdiction of a civil action under this section shall have the power to grant temporary and permanent injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent a violation of section 1 or 4. Any such injunction may be served anywhere in the United States on the person enjoined, and may be enforced by proceedings in contempt or otherwise by any United States district court having jurisdiction over that person.

''(c) IMPOUNDMENT.—At any time while an action under this section is pending, the court may order the impounding, on such terms as it deemds reasonable, of all copies of databases made in violaiton of section 1, and of all masters, tapes, disks, diskettes, or other articles by means of which such copies may be reproduced. The court may, as part of a final judgment or decree finding a violation of section 1, order the remedial modification or destruction of all copies of databases made in violation of section 1, and of all masters, tapes, disks, diskettes, or other articles by means of which such copies may be reproduced.

''(d) MONETARY RELIEF.—

''(1) When a violation of section 1 has been established in any civil action arising under this section, the plaintiff shall be entitled, subject to the principles of equity, to recover defendant's profits and any damages sustained by the plaintiff. In assessing profits the plaintiffs shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claims. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount.

''(2) When a violation of Section 4 has been established, the plaintiff shall be entitled to recover, subject to the principles of equity, any damages sustained.

''(3) The court in its discretion may award reasonable costs and attorney's fees to the prevailing party and shall award such costs and fees where it determines that an action was brought under this chapter in bad faith against a nonprofit scientific, research, or educational institution, library or archives, or against an employee or agent of such entity, acting within the scope of his or her employment.

''(e) REDUCTION OR REMISSION OF REMEDIES FOR NONPROFIT SCIENTIFIC, EDUCATIONAL, OR RESEARCH INSTITUTIONS.—The court shall reduce or remit entirely monetary relief under subsection (d) in any case in which the defendant believed, and had reasonable grounds for believing, that his or her conduct was permissible under this chapter, if the defendant was an employee or agent of a nonprofit scientific, educational, or research institution, library or archives, acting within the scope of his or her employment.

''(f) ACTIONS AGAINST UNITED STATES GOVERNMENT.—Subsections (b) and (c) shall not apply to any action against the United States Government.

''(g) RELIEF AGAINST STATE ENTITIES.—The relief provided under this section shall be available against a State governmental entity to the extent permitted by applicable law.

''(h) SOLE SOURCE DATABASES.—If the court determines that a defendant who has violated Section 1 could not have independently collected the information taken from the plaintiff's database in a commercially practicable manner, the relief available to the plaintiff shall be limited to the plaintiff's actual damages, measured by a reasonable royalty.

''SEC. 1409. LIMITATIONS ON ACTIONS.

''(a) No civil action shall be maintained under the provisions of this chapter unless it is commenced within three years after the claim accrued.

''(b) No civil action shall be maintained under the provisions of this chapter for the duplication of a database collected and organized prior to the effective date of this Act.

SEC. 4. CONFORMING AMENDMENT.

The table of chapters for title 17, United States Code, is amended by adding at the end the following:

CHAPTER 14—PROTECTION OF DATABASES

SEC. 5. EFFECTIVE DATE.

(a) IN GENERAL.—This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act, and shall apply to acts committed on or after that date.

''(b) PRIOR ACTS NOT AFFECTED.—No person shall be liable under chapter 14 of title 17, United States Code, as added by section 2 of this Act, for the acts done prior to the effective date of this Act, by that person or by that person's predecessor in interest.

SEC. 6. REPORT TO CONGRESS.

Not later than 24 months after the date of enactment of this Act, the Copyright Office, after consultation with appropriate agencies, which may include the Department of Justice, the Patent and Trademark Office, and the Federal Trade Commission, shall report to the Congress on the effect this Act has had on the United States database industry and related parties, including—

(a) the extent of competition between database producers, including the concentration of market power within the database industry;

(b) the investment in the development and maintenance of databases, including changes in the number and size of databases;

(c) the availability of information to industries and researchers which rely upon such availability; and

(d) whether in the period after enactment of this legislation database producers have faced unfair competition, particularly from publishers in the European Union.

The report shall include legislative recommendations, if any.

Mr. HATCH. I include this proposal in the RECORD hoping that it will also help our deliberations be more fully informed and spur discussion of the merits of each approach. The existence of, and my dissemination of, these various approaches, however, should not be used to delay prompt action on this important issue.

In short, Mr. President, as we rapidly approach the new millennium, it is time for Congress to act to ensure adequate federal protection for American investment in information. I intend this to be a high priority in the Judiciary Committee this year and intend to move forward with hearings and timely consideration of appropriate legislation. I look forward to working with the interested parties in an effort to build consensus in this area, and I encourage my colleagues to join with me in support of this process.

EXHIBIT 1

S. —

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 ''Database Antipiracy Act of 1999.''

SEC. 2. FINDINGS.

Congress finds that—

(1) the United States workforce is increasingly engaged in the creation, processing, distribution, and maintenance of information in interstate and foreign commerce;

(2) comprehensive, trustworthy collections of information are increasingly a fundamental component of scientific, educational, and social progress;

(3) the United States public benefits from having ready access to reliable, up-to-date collections of information concerning virtually all the endeavors of mankind;

(4) the production of accurate, trustworthy collections of information requires the investment of substantial amounts of human, technical, and financial resources to compile, sort, organize, maintain, verify, and distribute;

(5) the wholesale, unauthorized copying, and dissemination of another person's information product constitutes market-destructive free riding on the investment of the information compiler;

(6) advances in digital technology render informational products increasingly vulnerable to database piracy as unauthorized copies may be made and transmitted around the world in a few seconds;

(7) current Federal and State laws, including laws governing copyright, contract, and misappropriation, do not adequately protect investments against this free riding;

(8) as a result of the decision of the United States Supreme Court in Feist Publications, Inc. v. Rural Telephone Services Co., 499 United States 340 (1991), and certain decisions of the inferior courts of the United States, the copyright law affords members of the United States business community, both individuals and entities who create and distribute compilations of data less certain protection against piracy;

(9) legislation is needed to ensure that legitimate access to discrete data is not impaired while also encouraging persons to

identify, collect, verify, and add value to such information and make it available for study, enjoyment, and use;

(10) the piecemeal, inconsistent protection for databases provided by State misappropriation and contract laws inadequately protects the investment of database compilers from destructive acts of free riding;

(11) the continuing development of digital technology has enabled even the smallest information provider to transact business on a national scale, rendering uniformity essential to the continued growth of interstate commerce;

(12) technology safeguards do not adequately deter database piracy, because such safeguards are not foolproof, add to the cost and difficulty of accessing and delivering information, and provide no recourse once the safeguards have been circumvented;

(13) the United States should set the world standard for effective and balanced database protection, and make a determined effort to ensure similar international protection of these valuable information products;

(14) database piracy, if left unchecked by Congress, will so reduce the incentive to produce these products that the quality or existence will be significantly threatened or eliminated; and

(15) new legislation is needed to protect the substantial investments involved in the production and dissemination of collections of information in interstate commerce.

SEC. 3. MISAPPROPRIATION OF DATABASES.

Title 17, United States Code, is amended by adding at the end the following new chapter:

''CHAPTER 13—MISAPPROPRIATION OF DATABASES

''Sec.
''1301. Definitions.
''1302. Prohibition against misappropriation.
''1303. Permitted acts.
''1304. Permitted use for certain purposes.
''1305. Exclusions.
''1306. Relationship to other laws.
''1307. Certain instructional activities and library uses.
''1308. Civil remedies.
''1309. Criminal offenses and penalties.
''1310. Limitations on actions.
''1311. Deposit of databases.

''§ 1301. Definitions

''As used in this chapter:

''(1) DATABASE.—The term 'database' means a collection of discrete items of information that have been collected and organized in a single place, or in such a way as to be accessible through a single source, for the purpose of providing access to those discrete items of information by users of the database.

''(2) INFORMATION.—The term 'information' means facts, data, works of authorship, or any other intangibles capable of being collected and organized in a systematic way.

''(3) NEIGHBORING MARKET.—The term 'neighboring market' means any market that is commonly exploited by persons offering similar products or services incorporating databases.

''(4) COMMERCE.—The term 'commerce' means all commerce which may be lawfully regulated by the Congress.

''(5) PRODUCT OR SERVICE.—A product or service incorporating a database does not include a product or service incorporating a database that has been gathered, organized, or maintained to perform the function of addressing, routing, forwarding, transmitting or storing digital online communications or the function of providing or receiving connections for digital online communications.

''(6) GOVERNMENT DATABASE.—The term 'government database' means a database that has been created or maintained by or for a government entity, whether Federal, State, or local—

''(A) that is created or maintained by an employee or agent of such government entity, or any person exclusively licensed by such entity, acting within the scope of his or her employment, agency, or license;

''(B) the creation or maintenance of which is substantially funded by such government entity; or

''(C) that is required by statute or regulation to be created or maintained, to the extent so required, except that such term does not include a database that is required by a statute or regulation to be created or maintained where such database or a prior version, was first created or maintained prior to the enactment of such statute or regulation.

''(7) GOVERNMENT INFORMATION.—The term 'government information' means information produced or otherwise generated by or for a government entity, whether Federal, State, or local—

''(A) that is produced or otherwise generated by an employee or agent of such government entity or any person exclusively licensed by such entity, acting within the scope of his or her employment, agency, or exclusive license; or

''(B) the production or generation of which is substantially funded by such government entity.

''§ 1302. Prohibition against misappropriation

''Any person who extracts, or uses in commerce, all or a substantial part, measured either quantitatively or qualitatively, of a database gathered, organized, or maintained by another person through the investment of substantial monetary or other resources, so as to cause substantial harm to the actual or neighboring market of that other person, or a successor in interest of that other person, for a product or service that incorporates that database and is offered or intended to be offered for sale or otherwise in commerce by that other person, or a successor in interest of that person, shall be liable to that person or successor in interest for the remedies set forth in section 1308.

''§ 1303. Permitted acts

''(a) INDIVIDUAL ITEMS OF INFORMATION AND OTHER INSUBSTANTIAL PARTS.—Nothing in this chapter shall prevent the extraction or use of an individual item of information, or other insubstantial part of a database, in itself. An individual item of information, including a work of authorship, shall not itself be considered a substantial part of a database under section 1302. Nothing in this subsection shall permit the repeated or systematic extraction or use of individual items or insubstantial parts of a database so as to circumvent the prohibition contained in section 1302.

''(b) GATHERING OR USE OF INFORMATION OBTAINED THROUGH OTHER MEANS.—Nothing in this chapter shall restrict any person from independently gathering information or using information obtained by means other than extracting it from a database gathered, organized, or maintained by another person through the investment of substantial monetary or other resources.

''(c) NONPROFIT EDUCATIONAL, SCIENTIFIC, OR RESEARCH USES.—Notwithstanding section 1302, no person shall be restricted from extracting or using information for nonprofit educational, scientific, or research purposes in a manner that does not harm directly the actual market for the product or service referred to in section 1302.

''(d) GENEALOGICAL INFORMATION.—

''(1) IN GENERAL.—Notwithstanding section 1302, no person shall be restricted from extracting or using genealogical information for nonprofit, religious purposes, or from extracting or using, for private, noncommercial purposes, genealogical information that has been gathered, organized, or maintained for nonprofit, religious purposes.

''(2) DEFINITION.—For purposes of this subsection, 'genealogical information' includes, but is not limited to, data indicating the date, time and/or place of an individual's birth, christening, marriage, death, or burial, the identity of an individual's parents, spouse, children or siblings, an other information useful in determining the identity of ancestors.

''(e) NEWS REPORTING.—Nothing in this chapter shall restrict any person from extracting or using information for the sole purpose of news reporting, including news gathering and dissemination, or comment, unless the information so extracted or used is time sensitive and has been gathered by a news reporting entity, and the extraction or use is part of a consistent pattern engaged in for the purpose of direct competition.

''(f) TRANSFER OF COPY.—Nothing in this chapter shall restrict the owner of a particular lawfully made copy of all or part of a database from selling or otherwise disposing of the possession of that copy.

''(g) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES.—Nothing in this chapter shall prohibit an officer, agent, or employee of the United States, a State, or a political subdivision of a State, or a person acting under contract of one of the enumerated officers, agents, or employees from extracting and using information as part of lawfully authorized confidential investigative, protective, or intelligence activities.

''§ 1304. Permitted use for certain purposes

''(a) IN GENERAL.—Nothing in this Chapter shall prohibit or otherwise restrict the extraction or use of a database protected under this chapter for the following purposes—

''(1) for illustration, explanation or example, comment or criticism, internal verification, or scientific or statistical analysis of the portion used or extracted; and

''(2) in the case of nonprofit scientific, educational or research activities by nonprofit organizations, for similar customary or transformative purposes.

''(b) CERTAIN USE NOT PERMITTED.—In no case may a use or extraction for a purpose described in subsection (a) be permitted if the substantial harm referred to in section 1302—

''(1) arises because the amount of the portion used or extracted is more than is reasonable and customary for the purpose;

''(2) consists of the use or extraction being intended to, or being likely to, serve as a substitute for or to supplant all or a substantial part of the database from which the extraction or use is made or an adaptation thereof that is protected under this chapter;

''(3) arises because the extraction or use is intended to avoid payment of reasonable fees for use of a database incorporated into a product or service specifically marketed for educational, scientific or research purposes; or

''(4) arises because the use or extraction is part of a pattern, system, or repeated practice by the same party, related parties, or parties acting in concert with respect to the same database or a series of related databases.

"§ 1305. Exclusions

''(a) GOVERNMENT DATABASES.—

''(1) EXCLUSION.—Protection under this chapter shall not extend to government databases.

''(2) The adoption or incorporation of, or reference to, a non-government database otherwise protected under section 1302 into or in a government publication, regulation, or statute does not preclude protection for such non-government database under this chapter.

''(3) The incorporation of all or part of a government database into a non-government database otherwise protected under section 1302 does not preclude protection for such non-government database under this chapter.

''(b) AVAILABILITY OF GOVERNMENT DATABASES AND GOVERNMENT INFORMATION INCORPORATED INTO DATABASES.—

''(1) Any person, or a successor in interest, who has incorporated all or part of a government database into a database subject to protection under section 1302 of this chapter, or who has incorporated government information into a database subject to protection under section 1302 of this chapter, shall provide the ability to extract or use the information so incorporated to any person so requesting, where such person is acting within the scope of his or her employment by a nonprofit library, archives, educational, scientific, or research institution, provided that—

''(A) the request for such extraction or use is accompanied by a written statement—

''(i) clearly identifying the information to be extracted or used, in whole or in part; and

''(ii) providing evidence of reasonable, good faith efforts made to obtain such information from other sources;

''(B) the person requesting the ability to extract or use such information can show that such extraction or use is necessary to further a legitimate nonprofit educational, scientific, or research activity;

''(C) the person who has incorporated such information as part of his or her database, or a successor in interest, can reasonably identify, extract, and provide the requested information as first obtained from the government entity, employee, agent, or exclusive licensee, in the original format, separate and apart from other portions of the database; and

''(D) the person requesting such extraction or use reimburses the person who has gathered, organized or maintained such information for the costs of identification, extraction and delivery.

''(2) In cases where a dispute arises as to whether a request made for the ability to extract or use government information or information incorporated into a protected database from a government database, or a response thereto, satisfies the requirements of subsection (b)(1), the court shall determine whether such request was reasonably made or denied and may, upon finding that the request was denied in bad faith, order the person to whom the request was made to provide the ability extract or use the requested information without reimbursement, to pay all costs and attorney's fees incurred by the person making such request, or both

''(c) EXCEPTION.—The exclusions under subsections (a)(1) and (b) do not apply to any information required to be collected and disseminated—

''(1) under the Securities Exchange Act of 1934 by a national securities exchange, a registered securities association, or a registered securities information processor, subject to section 1306(g) of this title; or

''(2) under the Commodity Exchange Act by a contract market, subject to section 1306(g) of this title.

''(d) COMPUTER PROGRAMS.—

''(1) PROTECTION NOT EXTENDED.—Subject to paragraph (2), protection under this chapter shall not extend to computer programs, including, but not limited to, any computer program used in the manufacture, production, operation, or maintenance of a database, or any element of a computer program necessary to its operation.

''(2) INCORPORATED DATABASES.—A database that is otherwise subject to protection under this chapter is not disqualified from such protection solely because it resides in a computer program, so long as the database does not, in whole or in part, function as an element necessary to the operation of the computer program.

"§ 1306. Relationship to other laws

''(a) OTHER RIGHTS NOT AFFECTED.—Subject to subsection (b), nothing in this chapter shall affect rights, limitations, or remedies concerning copyright, or any other rights or obligations relating to information, including laws with respect to patent, trademark, design rights, antitrust, trade secrets, privacy, access to public documents, fraud and other inequitable conduct (including, where applicable, misuse), and the law of contract.

''(b) PREEMPTION OF STATE LAW.—On or after the effective date of this chapter, all rights that are equivalent to the rights specified in section 1302 with respect to the subject matter of this chapter shall be governed exclusively by Federal law, and no person is entitled to any equivalent right in such subject matter under the common law or statutes of any State. State laws with respect to trademark, design rights, antitrust, trade secrets, privacy, access to public documents, and the law of contract shall not be deemed to provide equivalent rights for purposes of this subsection.

''(c) RELATIONSHIP TO COPYRIGHT.—Protection under this chapter is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection or limitation, including, but not limited to, fair use, in any work of authorship that is contained in or consists in whole or part of a database. This chapter does not provide any greater protection to a work of authorship contained in a database, other than a work that is itself a database, than is available to that work under any other chapter of this title.

''(d) ANTITRUST.—Nothing in this chapter shall limit in any way the constraints on the manner in which products and services may be provided to the public that are imposed by Federal and State antitrust laws, including those regarding single suppliers of products and services.

''(e) LICENSING.—Nothing in this chapter shall restrict the rights of parties freely to enter into licenses or any other contracts with respect to the use of databases.

''(f) COMMUNICATIONS ACT OF 1934.—Nothing in this chapter shall affect the operation of the provisions of the Communications Act of 1934 (47 U.S.C. 151 et seq.). Nor shall this chapter restrict any person from extracting or using subscriber list information, as such term is defined in section 222(f)(3) of the Communications Act of 1934 (47 U.S.C. 222(f)(3)).

''(g) SECURITIES AND COMMODITIES MARKET INFORMATION.—

''(1) FEDERAL AGENCIES AND ACTS.—Nothing in this Act shall affect:

''(A) the operation of the provisions of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Commodity Exchange Act (7 U.S.C. 1 et seq.);

''(B) the jurisdiction or authority of the Securities and Exchange Commission and the Commodity Futures Trading Commission; or

''(C) the functions and operations of self-regulatory organizations and securities information processors under the provisions of the Securities Exchange Act of 1934 and the rules and regulations thereunder, including making market information available pursuant to the provisions of that Act and the rules and regulations promulgated thereunder.

''(2) RULES OF CONSTRUCTION.—Nothing in subsection (e) of section 1303 shall be construed to permit any person to extract or use real-time market information in a manner that constitutes a market substitute for a real-time market information service (including the real-time systematic updating of or display of a substantial part of market information) provided on a real-time basis.

''(3) DEFINITION.—As used in this subsection, the term 'market information' means information relating to quotations and transactions that is collected, processed, distributed, or published pursuant to the provisions of the Securities Exchange Act of 1934 or by a contract market that is designated by the Commodity Futures Trading Commission pursuant to the Commodity Exchange Act and the rules and regulations thereunder.

"§ 1307. Certain instructional activities and library uses

''(a) It shall not be a violation of § 1302 to display visually the content of a lawfully obtained database if—

''(1) such display occurs in the course of formal, face-to-face teaching activities in a classroom or similar instructional location of a nonprofit educational institution; or

''(2) such display occurs in the course of, and as a directly relevant and integral part, of a transmission, where such transmission is a regular part of a systematic instructional activity of a nonprofit educational institutional or governmental body, and is made primarily for reception—

''(A) in classrooms or similar places of information;

''(B) by persons whose disabilities prevent attendance at such classroom or place of instruction; or

''(C) by government offices or employees as part of their official duties or employment.

''(b) It shall not be a violation of § 1302 for a nonprofit library accessible to the public to make no more than—

''(1) one copy, in either analog or digital form, of all or a portion of—

''(A) an undisseminated database in the library's current collection if such copy is made solely for the purpose of preservation and security in connection with that library's collection; and

''(B) a disseminated and commercially available database for the sole purpose of replacing in that library's collection, material that is damaged or deteriorating, or has been lost or stolen if the library has reasonably determined that a replacement cannot be commercially purchased, licensed or otherwise obtained,

provided that any copy made in digital format is neither further reproduced or distributed in that format nor made available to the public outside of the physical premises of that library;

''(2) one analog copy of all or a portion of an undisseminated database in the library's current collection for the sole purpose of research use in another nonprofit publicly accessible library; or

''(3) one analog copy of a small portion of a database in connection with standard and customary library transactions, including inter-library arrangements, for the benefit of a specific user who takes permanent possession of that copy, if the library—

''(A) has no notice that the copy would be used for purposes other than private study;

''(B) is not aware that it is involved in related or concerted multiple or cumulative copying; and

''(C) is not engaged in systematic activity other than through its mere participation in the interlibrary arrangement.

''(c) Nothing in this section affects any contractual obligation assumed by the library, educational institution or governmental body as part of a donor, subscription, license, or other arrangement.

''§ 1308. Civil remedies

''(a) CIVIL ACTIONS.—Any person who is injured by a violation of section 1302 may bring a civil action for such a violation in an appropriate United States district court without regard to the amount in controversy, except that any action against a State governmental entity may be brought in any court that has jurisdiction over claims against such entity.

''(b) TEMPORARY AND PERMANENT INJUNCTIONS.—Any court having jurisdiction of a civil action under this section shall have the power to grant temporary and permanent injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent a violation of section 1302. Any such injunction may be served anywhere in the United States on the person enjoined, and may be enforced by proceedings in contempt or otherwise by any United States district court having jurisdiction over that person.

''(c) IMPOUNDMENT.—At any time while an action under this section is pending, the court may order the impounding, on such terms as it deems reasonable, of all copies of contents of a database extracted or used in violation of section 1302, and of all masters, tapes, disks, diskettes, or other articles by means of which such copies may be reproduced. the court may, as part of a final judgment or decree finding a violation of section 1302, order the remedial modification or destruction of all copies of contents of a database extracted or used in violation of section 1302, and of all masters, tapes, disks, diskettes, or other articles by means of which such copies may be reproduced.

''(d) MONETARY RELIEF.—When a violation of section 1302 has been established in any civil action arising under this section, the plaintiff shall be entitled to recover any damages sustained by the plaintiff and defendant's profits not taken into account in computing the damages sustained by the plaintiff. the court shall assess such profits or damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's gross revenue only and the defendant shall be required to prove all elements of cost or deduction claims. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount, provided that the database that is the subject of the judgment has been properly deposited pursuant to section 1311. the court in its discretion may award reasonable costs and attorney's fees to the prevailing party and shall award such costs and fees where it determines that an action was brought under this chapter in bad faith against a nonprofit educational, scientific, or research institution, library, or archives, or an employee or agent of such an entity, acting within the scope of his or her employment.

''(e) REDUCTION OR REMISSION OF MONETARY RELIEF FOR NONPROFIT EDUCATIONAL, SCIENTIFIC, OR RESEARCH INSTITUTIONS.—The court shall reduce or remit entirely monetary relief under subsection (d) in any case in which a defendant believed and had reasonable grounds for believing that his or her conduct was permissible under this chapter, if the defendant was an employee or agent of a nonprofit educational, scientific, or research institution, library, or archives acting within the scope of his or her employment.

''(f) ACTIONS AGAINST UNITED STATES GOVERNMENT.—Subsections (b) and (c) shall not apply to any action against the United States Government.

''(g) RELIEF AGAINST STATE ENTITIES.—The relief provided under this section shall be available against a State governmental entity to the extent permitted by applicable law.

''§ 1309. Criminal offenses and penalties

''(a) VIOLATION.—

''(1) IN GENERAL.—Any person who violates section 1302 willfully shall be punished as provided in subsection (b), provided such violation—

''(A) is committed for direct or indirect commercial advantage or financial gain; or

''(B) causes loss or damage aggregating $10,000 or more in any 1-year period to the person who gathered, organized, or maintained the information concerned.

''(2) INAPPLICABILITY.—This section shall not apply to an employee or agent of a nonprofit education, scientific, or research institution, library, or archives acting within the scope of his or her employment.

''(b) PENALTIES.—(1) Any person who commits an offense under subsection (a) shall be punishable by a fine of not more than $100,000 or imprisonment for not more than 1 year;

''(2) Any person who commits an offense under subsection (a) and causes loss or damage aggregating $20,000 or more in any 1-year period to the person who gathered, organized, or maintained the information concerned, shall be punishable by a fine of not more than $250,000 or imprisonment for not more than 5 years;

''(3) Any person who commits a second or subsequent offense under subsection (a) shall be punishable by a fine of not more than $500,000 or imprisonment for not more than 10 years.

''§ 1310. Limitations on actions

''(a) CRIMINAL PROCEEDINGS.—No criminal proceeding shall be maintained under this chapter unless it is commenced within three years after the cause of action arises.

''(b) CVIL ACTIONS.—No civil action shall be maintained under this chapter unless it is commenced within three years after the cause of action arises or claim accrues.

''(c) ADDITIONAL LIMITATION.—No criminal or civil action shall be maintained under this chapter for the extraction or use of all or a substantial part of a database that occurs more than 15 years after the end of the calendar year in which the portion of the database that is extracted or used was first offered for sale or otherwise in commerce, by the person claiming protection under this chapter or that person's predecessor in interest, after the investment of resources was made that qualified that portion of the database for protection under this chapter. In no case shall the renewal of protection for any part of parts of an existing database owing to the substantial investment of resources in updating or maintaining that database prevent any use or extraction of information contained in the preexisting database at the expiration of the term prescribed above, and no liability under this Chapter shall thereafter attach to such acts or use or extraction.

''(d) ADDITIONAL DEFENSE FOR DATABASE NOT DEPOSITED WITH THE COPYRIGHT OFFICE.—In the case of a database that has not been deposited with the Copyright Office before the extraction or use takes place and within one year of its first offering for sale or otherwise in commerce, no civil or criminal action shall be maintained under this title if the person extracting or using the information believed and had reasonable grounds to believe that fifteen years had elapsed from the end of the calendar year in which the database was first offered for sale or otherwise in commerce after the investment of resources was made that qualified the portion of the database extracted or used for protection under this chapter.

''(e) SERVICE PROVIDER LIABILITY.

''(1) LIMITATION ON LIABILITY.—Subject to the limitations of paragraph (2), a provider of online services or network access, or the operator of facilities therefor, shall not be liable for a violation of section 1302 by reason of—

''(A) transmitting, routing, or providing connections for, material through a system or network controlled or operated by or for the service provider;

''(B) providing storage of that material on a system or network controlled by or operated for the service provider; or

''(C) referring or linking users to an online location at which a database is used in a manner prohibited by section 1302.

''(2) CONDITIONS.—The limitation on liability set forth in paragraph (1) (B) and (C) shall apply, provided that—

''(A) the service provider did not initially place the material on the system;

''(B) the service provider does not have actual knowledge that the use violates section 1302 or, in the absence of such actual knowledge, is not aware of facts or circumstances from which such violation is apparent; or

''(C) upon obtaining such knowledge or awareness, the service provider acts expeditiously to remove the material, or to disable the use, to the extent such removal or disablement is technically feasible, effective and economically reasonable.

''(3) NOTIFICATION OF CLAIMED VIOLATION.—A service provider will be presumed to have actual knowledge if it receives adequate notification of a claimed violation in compliance with the requirements as set forth in section 512(c)(4) of this title from a person who is injured by a violation of section 1302 or his designated agents.

''(4) REENABLING OF USE.—If a person claiming to be injured by a violation of section 1302 does not obtain a court order enjoining the alleged violation within 10 days of the service provider disabling the use, the alleged violator may request the service provider to reenable the use, and upon receiving such request in compliance with the requirements as set forth in section 512(f)(3) of this title, the service provider may reenable the use without becoming liable for a violation of section 1302.

''(5) LIMITATION ON OTHER LIABILITY.—A service provider shall not be liable for any claim based on the service provider's good faith removal, or disabling of a use, or a database claimed to violate section 1302 or

based on facts or circumstances from which such violation is apparent, regardless of whether a violation of section 1302 is ultimately determined to have occurred.

''(6) MISREPRESENTATIONS.—Any person who knowingly misrepresents that material or activities violate section 1302 shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged violator or by the service provider who is injured by such misrepresentation.

''§ 1311. Deposit of databases

''(a) IN GENERAL.—Within one year from the date on which a database is first offered for sale or otherwise in commerce after the investment that qualified that database for protection under this chapter, a person claiming protection under section 1302 for a database may deposit the database by delivering to the Copyright Office a deposit copy, Statement of Deposit, and fee, as specified by this section.

''(b) COPYRIGHT OFFICE REGULATIONS.—The Register of Copyrights shall establish by regulation procedures for the deposit of databases, including permissible formats for deposit copies.

''(c) DEPOSIT FOR DATABASES.—The deposit for a database shall consist of one complete copy of the databse and a Statement of Deposit.

''(1) STATEMENT OF DEPOSIT.—The Statement of Deposit shall be made on a form prescribed by the Register of Copyrights and shall include—

''(A) the name and address of the person claiming protection under section 1302;

''(B) a title or other information identifying the database;

''(C) a general statement of the nature of the investment qualifying the database for protection;

''(D) the year in which the database was first offered for sale or otherwise in commerce;

''(E) in the case of a new version or update of a database, an identification of any preexisting database that it is based on or incorporates, and a general statement of any additional investment covered by the new deposit; and

''(G) any other information regarded by the Register of Copyrights as bearing on the identification of the database or the application of section 1310(c).

''(2) SUPPLEMENTARY STATEMENT OF DEPOSIT.—A depositor or its successor in interest may file a supplementary Statement of Deposit, to correct errors or omissions in a prior Statement of Deposit for the same database, or to reflect changed circumstances.

''(d) FEES.—The Register of Copyrights is authorized to set and adjust fees to cover the reasonable costs of the deposit system for databases established by this section.

''(e) EFFECT OF MATERIAL FALSE STATEMENTS.—Any material false statement knowingly made in a Statement of Deposit shall void the deposit of the database.

''(f) ISSUANCE OF CERTIFICATE AND DATE OF DEPOSIT.—

''(1) The Register of Copyrights shall, upon receipt of the deposit copy, Statment of Deposit, and fee specified by this section, issue to the person claiming protection under section 1302 a certificate of deposit.

''(2) The effective date of deposit for a database is the day on which the deposit copy, Statement of Deposit, and fee have all been received in the Copyright Office.

''(g) INSPECTION AND COPYING OF RECORDS.—

''(1) STATEMENTS OF DEPOSIT.—A record of all Statements of Deposit for database deposited with the Copyright Office shall be maintained in the Copyright Office and shall be available to the public for inspection and copying.

''(2) DEPOSIT COPIES.—

''(A) During the fifteen years following the end of the calendar year of the date specified in the deposit statement as the date of the first offering in commerce after the qualifying investment, the Copyright Office shall permit access to the deposit copy of the database only upon authorization of the depositor or its successor in interest, or the purposes of litigation under this chapter in accordance with regulations issued by the Register.

''(B) Fifteen years from the end of the calendar year of the date specified in the deposit statement as the date of the first offering in commerce after the qualifying investment, the Copyright Office shall make the deposit copy of the database available to the public for inspection and copying subject to the conditions established by the Register under subsection. (C).

''(C) The Register shall by regulation specify conditions for access under subsections (A) and (B) to the copies of databases deposited with the Copyright Office, including measures to safeguard any copyrights, trade secrets, or other legal rights of the depositor or its successor in interest.

''(3) EXCLUSION.—Deposit copies deposited with the Copyright Office pursuant to this section are not subject to the provisions of the Freedom of Information Act, 5 U.S.C. § 552.

''(h) EFFECTIVE DATE.—This section and section 1310(d) shall take effect one year from the date of the enactment of this Act.''

SEC. 4. STUDY REGARDING THE EFFECT OF THE ACT.

(A) IN GENERAL.—Not later than 5 years after the effective date of this Act, and every 10 years thereafter, the General Accounting Office, in consultation with the Register of Copyrights and the Department of Justice, shall submit to the Committees on the Judiciary of the Senate and the House of Representatives, a report evaluating the effect of this Act.

(b) ELEMENTS FOR CONSIDERATION.—The study conducted under subsection (a) shall consider—

(1) The extent to which the ability of persons to engage in the permitted acts under this Act has been frustrated by contractual arrangements or technological measures,

(2) the extent to which information contained in databases that are the sole source of the information contained therein is made available through licensing or sale on reasonable terms and conditions;

(3) the extent to which the license or sale of information contained in databases protected under this Act has been conditioned on the acquisition or license of any other product or service, or on the performance of any action, not directly related to the license or sale;

(4) the extent to which the judicially-developed doctrines of misuse in other areas of the law have been extended to cases involving protection of databases under this Act;

(5) the extent, if any, to which the provisions of this Act constitute a barrier to entry, or have encouraged entry into, a relevant database market;

(6) the extent to which claims have been made that this Act prevented access to valuable information for research, competition or innovation purposes and an evaluation of these claims;

(7) the extent to which enactment of this Act resulted in the creation of databases that otherwise would not exist; and

(8) such other matters necessary to accomplish the purpose of the report.

SEC. 5. CONFORMING AMENDMENT.

The table of chapters for title 17, United States Code, is amended by adding at the end the following:

''13 Misappropriation of Databases .... 1301''.

SEC. 6. CONFORMING AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) DISTRICT COURT JURISDICTION.—Section 1338 of title 28; United States Code, is amended—

(1) in the section heading by inserting ''misappropriations of databases,'' after ''trade-marks,''; and

(2) by adding at the end the following:

''(d) The district courts shall have original jurisdiction of any civil action arising under chapter 13 of title 17, relating to misappropriation of databases. Such jurisdiction shall be exclusive of the courts of the States, except that any action against a State governmental entity may be brought in any court that has jurisdiction over claims against such entity.''

(b) CONFORMING AMENDMENT.—The item relating to section 1338 in the table of sections for chapter 85 of title 28, United States Code, is amended by inserting ''misappropriations of database,'' after ''trade-marks,''.

(c) COURT OF FEDERAL CLAIMS JURISDICTION.—Section 1498(e) of title 28, United States Code, is amended by inserting ''and to protections afforded databases under chapter 13 of title 17'' after ''chapter 9 of title 17''.

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act, and shall apply to acts committed on or after that date.

(b) PRIOR ACTS NOT AFFECTED.—No person shall be liable under chapter 13 of title 17, United States Code, as added by section 2 of this Act, for the extraction or use of all or a substantial part of a collection of information for which the investment of resources which qualified the collection of information for protection under this chapter occurred prior to the effective date of this Act.

REAUTHORIZATION OF THE DEPARTMENT OF JUSTICE

Mr. HATCH. Mr. President, I rise to discuss for the benefit of my colleagues a matter of great importance—consideration this Congress of legislation to reauthorize the Department of Justice.

It has been nearly two decades since Congress has passed a general authorization bill for the Department of Justice. It is in my view a matter of significant concern when any major cabinet department goes for such a long period of time without congressional reauthorization. Such lack of reauthorization encourages administrative drift, and permits important policy decisions to be made ad hoc through the adoption appropriations bills or special purpose legislation.

However, these concerns are amplified when the department in question is of such central importance to our national life as is the Department of Justice. The Department is entrusted critical duty of primary responsibility for the enforcement of our Nation's

laws. Through its divisions and agencies including the FBI and DEA, it investigates and prosecutes violations of federal criminal laws protects the civil rights of our citizens, enforces the antitrust laws, and represents every department and agency of the United States Government in litigation. Increasingly, its mission is international as well, protecting the interests of the United States and its people from growing threats of trans-national crime and international terrorism. And, among the Department's key duties is providing assistance and advice to state and local law enforcement.

The growing importance of the Department's role is demonstrated by the growth of its budget in the last two decades. In fiscal year 1979, the Department of Justice's budget was just $2.538 billion, and represented one half of one percent of the federal government's $559 billion budget. In fiscal year 1999, the Department of Justice's budget is more than seven times greater—an estimated $18.2 billion, representing about 1 percent of the $1.75 trillion federal budget.

As Chairman of the Judiciary Committee, I would like to advise my colleagues that a major priority of the committee this year will be the reauthorization of the Department of Justice. Last Congress, the Judiciary Committee reported a bipartisan, 3-year Justice Department reauthorization bill which was sponsored by myself and the distinguished ranking member, Senator LEAHY. Unfortunately, this legislation, which was similar to a bill passed by the House of Representatives, never received consideration by the full Senate.

In the next several weeks, I will reintroduce legislation to reauthorize the Department of Justice. The Judiciary Committee will redouble its efforts to address this important issue.

I look forward to continuing reports to my colleagues on the important issue of Department of Justice reauthorization, and to working with each of my colleagues on this matter.

WASHINGTON AND LEE UNIVERSITY—250TH ANNIVERSARY

Mr. WARNER. Mr. President I rise today to commemorate the 250th anniversary of Washington and Lee, an institution revered in Virginia and rooted in American history.

My first association with Washington and Lee came at the knee of my father, a 1903 alumnus. His deep sense of honor and integrity was indelibly linked to his days at Washington and Lee. Indeed, still today, Washington and Lee's strong honor system is the foundation of the moral standard that is the guiding principle at the university for its alumni.

As a student at Washington and Lee and even after my graduation in 1949, I have had a keen interest and fascination with the history of the university. In 1749, Scottish-Irish pioneers founded Augusta Academy in the vicinity of what is now known as Lexington, Virginia. Fueled by a budding Revolution and a sense of patriotism, trustees of the academy changed its name to Liberty Hall in 1776.

In 1796, George Washington saved the struggling institution from possible demise with a gift of stock shares in the James River Company. At the time, this gift, which was valued at $20,000, was the largest gift ever made to a private educational institution in America. Moreover, as part of the University's endowment, George Washington's gift has generated over $500,000 of income and, to this day, helps pay part of the cost of every student's education.

In appreciation of Washington's gift, the trustees changed the school's name to Washington Academy in 1798. Washington responded: ''To promote the Literature in this rising Empire, and to encourage the Arts, have ever been amongst the warmest wishes of my heart.''

Following the Civil War, the Board of Trustees unanimously elected Confederate General Robert E. Lee as president in 1865. Initially, Lee was very hesitant about accepting the position. He feared his name would be forever linked to the Confederate cause, bringing embarrassment and hostility toward the school. However, after repeated urging by the trustees, Lee accepted and on September 18, he rode Traveler into Lexington to assume the presidency of Washington college.

During his tenure, Lee affiliated Lexington Law School with the college and institutionalized the school's unique honor system. He greatly emphasized the sciences and created courses in business and journalism that were among the first by any school in the United States. In appreciation for Lee's lasting contribution to the growth of the college, the trustees changed the school's name from Washington College to Washington and Lee University in 1870.

Mr. President, I ask that my colleagues join with me today, on Washington and Lee University Founder's Day, in tribute to the ninth oldest institution of higher learning in America.

BUDGET PROCESS REFORM

Mr. MCCAIN. Mr. President, today, I am pleased to sponsor three bills designed to improve the way Congress spends Americans' hard-earned dollars.

First, Senator DOMENICI and I and others are co-sponsoring legislation requiring Congress to adopt a biennial budget process. Second, Senator KYL and I are introducing a resolution to establish a 60-vote point of order against any item in any appropriations measure that provides more than $1 million for any program, project, or activity which is not specifically authorized in a law other than an appropriations act. Third, Senator KYL and I are introducing a resolution to establish a privileged, non-debatable motion to proceed to any appropriations measure after June 30 of any year.

As anyone who has followed Congress over the years knows, budget process reform is not new. It is often the subject of heated political debate. It has spawned numerous vigorous floor debates and been the subject of much controversy. Unfortunately, little in the way of substantive reform has ever been accomplished. Surely, after our experience with the fiscal year 1999 budget process, most in Congress would agree that budget process reform is an idea whose time has finally come. The time for rhetoric has passed, and the time for overall substantive reforms is here.

The power of the purse is vested in the Congress. However, the obligation to control the purse does not mean Congress do so with impunity or with disregard for the greater good of the Nation.

Since I came to Congress, I have spent a great deal of my time considering matters related to the budget. As critical as I have been of the Congressional budget process over the past 16 years, the monstrosity of a spending bill we passed last year took my outrage to new heights. This bill clearly illustrates that our budget process is flawed. If we had adequate controls on the budget process, the fiscal year 1999 omnibus appropriations bill would never have occurred.

The second session of the 105th Congress convened on January 27 and adjourned on October 21, 1998—a total of 266 calendar days in which Congress completed work on only 4 of the 13 regular appropriations bills that keep the federal government open and functioning. Yet it took us just 24 hours to debate and pass a 4,000-page, 40-pound, non-amendable, budget-busting omnibus appropriations bill that provided more than half-a trillion dollars to fund 10 Cabinet-level federal departments for the fiscal year that started 21 days prior.

The bill exceeded the budget ceiling by $20 billion for what is euphemistically called emergency spending, much of which is really everyday, garden-variety, special interest, pork-barrel spending projects. Sadly, these projects are paid for by robbing billions from the budget surplus. This bill made a mockery of the Congress' role in fiscal matters. It was and still is a betrayal of our responsibility to spend the taxpayers' dollars wisely and enact laws and policies that reflect the best interests of all Americans, rather than the special interests of a few.

I voted against the omnibus appropriations bill, as did many of our colleagues. But the bill passed, and is now law. This bill became law because Congress was forced to either adopt this bill, or face another government shutdown. In a sense, Congress was once again held hostage by the prospect of experiencing another government shutdown.

Sadly, for most years, the Federal budget is passed in one fell swoop through one monster bill. Appropriations committees, charged with passing separate legislation to pay for each portion of the Government, disregard their deadlines and lump all Government spending in one mammoth bill. Failure to pass such a behemoth would result in a complete shutdown of all Government agencies and chaos among recipients of Government benefits. We have been held hostage in this manner, in the past, and will be again in the future if meaningful comprehensive budget process reforms are not adopted promptly.

We cannot mortgage away our future generations' prosperity by spending wastefully today. Budget process is key to maintaining fiscal responsibility. Our more than ever increasing $5 trillion national debt and the fiscal nightmare of the fiscal year 1999 omnibus appropriations bill indicate that Congress must change the way it conducts the budget process.

We can ill afford to permit an inadequate budget process to squander away our first budget surplus in decades. According to the U.S. Department of the Treasury, our national debt is now $5.52 trillion. The Congressional Budget Office estimates that in fiscal year 1998, the federal government paid more than $244 billion in net interest, or some $668 million every day. These numbers are facts. The facts are scary—$668 million every day to pay for the interest on our national debt. The more we spend on interest, the less we have to spend for other vital goods and services.

This must stop. The only way to stop wasting almost a quarter of a trillion dollars a year is to pay down our national debt and ensure we do not squander this opportunity by instituting budget process reforms.

Our founding fathers saw the importance of avoiding debt and wasteful spending. The framers assumed that each generation would pay its own bills, and Thomas Jefferson stated:

> I place economy among the first and most important of republican virtues, and public debt as the greatest of dangers to be feared.

Yet we are content to burden every child born in this century with a $5.5 trillion debt.

The Congressional Budget Office estimates that we will have an $80 billion surplus for fiscal year 1999. But we are not protecting the budget surplus to save social security. We are not protecting the budget surplus to pay down our debt. Nor are we spending tax dollars cautiously to insure that funds are available to allow Congress to pass broad-based middle-class tax relief. Why? Because our current budget process is flawed. It is easily manipulated to appropriate funds for locality-specific parochial interests, as opposed to the national interests. Paying down the debt, saving social security, and broad-based middle-class tax relief would benefit all Americans. Yet we continue to ignore these priority needs when we approve monstrosities like the fiscal year 1999 omnibus appropriations bill.

The problem is the current budget process. It allows the politics of the moment to take precedence over larger long-term issues which impact the Nation as a whole. The legislation I am co-sponsoring, and the reforms I am introducing will address the ills in the current budget process.

First, the biennial budgeting legislation drafted by Senator DOMENICI will radically change the way Congress passes a Federal budget. This legislation will require the President to submit and the Congress to enact two-year authorization and appropriations bills. Biennial budgeting would allow us to focus attention on fiscal matters during the first full year of a Congress, then turn to other pressing matters of national policy the second year. Two-year budgets would also provide needed predictability and stability for government agencies and programs.

Biennial budgeting will not solve all our budget process woes, and it will not automatically solve the serious problems posed by the increased demand on entitlement programs as the next generation begins to retire. However, what a biennial budget can do is to give us time for the important tasks that often get short shrift these days, such as conducting oversight and long-range planning. The legislation that we are introducing today will ensure that time for oversight and long-range planning is set aside.

I am also sponsoring 3 procedural changes governing the Senate's budget process. I am introducing a resolution in the Senate to amend our procedures to establish a 60-vote point of order against any item in an appropriations measure that provides more than $1 million for any program, project, or activity which is not already specifically authorized in a law other than an appropriations act. This is the system of checks and balances that is envisioned in the law, and I believe the Senate should adhere to this necessary fiscal restraint. To do anything less makes a mockery of the authorization process. If we do not do this, and we continue to use appropriations bills to do all our authorizing business, why even have authorizing committees?

I am also introducing a resolution in the Senate to make a motion to proceed to any appropriations measure after June 30 a privileged motion. The Budget Act establishes June 30 as the date by which the House is expected to complete action on all the appropriations measures. By eliminating the need to debate, file cloture, and vote on a motion to proceed to appropriations measures after that date, the Senate could save a full week's time, and could instead spend that time working on the bill itself.

Also, I am sponsor of Senate Resolution 4, introduced on January 6, 1999, which restores the point of order preventing Senators from attaching legislative ''riders'' to appropriations measures.

This measure will go a long way toward preventing gridlock over policy matters in spending bills.

These procedural changes would, in my view, go a long way toward restoring openness, fairness, and public input in the process of spending the taxpayers' dollars. We would be able to pass budgets in the normal process, rather than budget by brinkmanship.

These budget reform proposals are not a political exercise. These reforms are long-overdue and real. It is my intention to work with the leadership to move this legislation quickly. It is very important we act before the appropriations season begins in earnest.

To do nothing to reform our budget process is far more dangerous than to try and not succeed. Budget process reform must be adopted to insure that we do not waste the opportunity to start shaving away at our massive national debt. The system is set up to have checks and balances. Lately, we have drifted from this process. Congress must adopt meaningful budget process reform this year, or risk further fiscal monstrosities like the fiscal year 1999 omnibus appropriations bill.

Clearly, the process by which we spend Americans' hard-earned dollars is flawed and needs to be changed. I hope my colleagues will acknowledge the obvious, and push for comprehensive budget process reform at the earliest opportunity.

THE ''ED-FLEX'' PROGRAM

Mr. ABRAHAM. Mr. President, I rise today to urge my colleagues' support for important legislation introduced by Senators FRIST and WYDEN, the Education Flexibility Act. This legislation would expand the popular ''Ed-Flex'' program to all 50 states. Currently, 12 states, including Michigan, participate in the program.

Through the ''Ed-Flex'' program, the Department of Education delegates to the states its power to grant individual school districts temporary waivers from certain federal requirements if those requirements interfere with state and local efforts to improve education. To be eligible, a State must be able to

waive its own regulations on schools. The State must hold schools accountable for results by setting academic standards and measuring student performance, requiring schools to publish school report cards, and intervening in low performance schools. This program does a great deal to reduce the regulatory burden for states trying to improve the education it provides to its citizens.

This program has been a tremendous success in Michigan. The first benefit came to Michigan in simply applying for the program. It was during this process that the Governor's office realized it did not meet the two criteria necessary to apply for the waiver because the state could not waive its own regulations. As a result, the Governor's office worked with the State legislature and State Board of Education to prepare and obtain this authority. Another benefit of the ''Ed-Flex'' program came when the state put in place the Waiver Referent Group. This group is made up of representatives from the Department, local and intermediate school districts, private schools, parent organizations, advisory and professional groups, and business/community members. Through this collaboration, the State will receive input on potential regulations that may help reduce barriers to reform from the people most closely associated with the regulations that are hindering their ability to achieve real and lasting reform.

I am proud to be an original cosponsor of this important legislation. I am confident that the ''Ed-Flex'' program will be as valuable of a tool to education reform for other states as it has been to Michigan's education reform efforts.

THE TRADE FAIRNESS ACT OF 1999

Mr. ROCKEFELLER. Mr. President, I rise today to introduce legislation which will help the President deal with the flood of dirt-cheap steel imports from our trading partners. I introduce this legislation with the full knowledge that there are many actions required to respond to the steel import crisis that is corroding the United States' steel industry's ability to compete. This crisis is hurting our steelworkers and our companies. It must be dealt with as a top priority in the 106th Congress.

The bill I am introducing today deals with two important aspects of this crisis: monitoring imports and remedying injury to domestic industries under our trade laws. The bill has two main parts. The first section reforms Section 201 of the Trade Act of 1974 to conform its standard of injury to that of our world trading partners. This reform will affect all products which are covered by Section 201 by revising the U.S. standard for injury to the standard used in the World Trade Organization's Safeguards Code. The second section of the bill will help us better track steel imports by requiring an import permit for steel and establishing a monitoring program. This will allow us to track steel imports, as many of our trading partners currently have the ability to do. It will provide import data in a more timely fashion and help us better anticipate future import problems. I am proposing the ''Trade Fairness Act of 1999'' along with my colleague and Senate Steel Caucus co-chair, Senator SPECTER, in order to strengthen the President's ability to help domestic industries receive the relief they need and deserve when imports are a cause of serious injury, and so we know what when significant amounts of foreign steel are entering our country.

Import relief is what the U.S. steel industry desperately needs right now. This bill contains provisions that will help us more effectively deal with future import problems, but it will not provide the immediate assistance that our steel industry needs to survive this crisis. Within a matter of days, we will have the steel import data from the end of last quarter. I fully expect it will show that the United States is still enduring an unprecedented level of steel imports. I also strongly believe that most of those imports continue to be sold at historically low prices; prices which are below the cost of actual production in many instances. American steel manufacturers cannot fight this unfair trade practice without help. West Virginia and other major steel makers deserve help now, before it is too late. This measure addresses some of the structural reforms needed to deal with import surges in the future, but, again, I have to admit it won't do what's needed to stop the flood of steel imports. I firmly believe that a 201 action is what is required, now, to stop the imports. I have strenuously made that case to the Administration, and will continue to make that case to the President and his advisors, as well as my colleagues on the Finance Committee, and in the Congress. I am also likely to submit other legislative remedies to deal with the emergency which faces the United States' steel industry and its workers.

This legislation I am introducing today includes reforms we need to improve the way U.S. trade laws function in a crisis. The import licensing will help the steel industry specifically, but the Section 201 reforms will ultimately benefit all products where foreign competitors have dumped their product on the American market. I intend to push these provisions during the Finance Committee's consideration of trade legislation in the 106th Congress. The 201 reforms will improve our ability to remedy harm against domestic industries and at the same time remain consistent with rules we expect our world trading partners to live by. We can be tough and fair on trade at the same time and the bill I am introducing today proves it.

In my state of West Virginia, our two largest steel manufacturers, Weirton Steel and Wheeling-Pittsburgh Steel, have been hit hard by the steel import crisis. Weirton alone has laid off over 900 workers and there is the possibility that their fourth quarter earnings and order book could force these two companies to consider additional lay offs in the near future. Wheeling-Pittsburgh is also worried about the effect of the crisis on their bottom-line. Laying off workers is never easy, but this crisis is forcing hard decisions. West Virginia steel makers are producing world-class products as efficiently as any foreign competitor, but when foreign competitors are blatantly dumping their product at prices which are sometimes actually below the cost of production, it cuts the legs out from under American companies. Such unfair practices are absolutely unacceptable. U.S. industry—the U.S. steel industry and other industries—deserve just remedies when competitors unfairly dump their product on the U.S. market. We want to give the President the policy tools he needs to deal with unfair import competition.

Import data tells the story of a worsening steel crisis—the first two quarters of 1998 have shown a 27% increase in imports of hot-rolled steel. Japanese imports increased by an astounding 114% in that same time frame. Steel imports from South Korea increased 90%. There is no end in sight. Russia and Brazil are other prime offenders. A trade case is pending against the imports of hot-rolled steel from Russia, Brazil and Japan. The Commerce Department made a determination of critical circumstances in regard to that case. More cases are expected.

The real tragedy of this crisis is that the U.S. steel industry has spent over a decade reinventing itself, adjusting and modernizing, in order to become a top-notch competitor as we approach the 21st century. This industry is a true success story—productivity has shot up and we can beat any producer in the world on price and quality when provided with a level playing field. For decades, I have worked with leaders in the steel industry at Weirton Steel, Wheeling-Pittsburgh, Wheeling-Nisshin, and others. I have watched and encourage these steelmakers and unions working together to make the tough, necessary decision to modernize.

Unfortunately, just as United States steel manufacturers are realizing the gains of such investments, they are facing a flood of imported steel being sold at rock bottom prices—again, below the cost of production in some instances. We cannot compete against that kind of unfair competition. The legislation Senator SPECTER and I are

introducing today will both allow us to more efficiently track steel imports and give the President an improved tool to ensure that when there is serious injury as a result of imports, the U.S. can respond.

Specifically, the legislation I introduce today with Senator SPECTER will reform Section 201 of our trade law and require import licensing for steel which is classified under Chapters 72 or 73 of the Harmonized Tariff Schedule of the United States.

Let me lay each of the bill's two major provisions in a little more detail.

First, Section 201, which this legislation will strengthen, permits the President to grant domestic industries import relief in circumstances where imports are the substantial cause of serious injury.

Under current law, domestic industries must show that increased imports are the ''substantial cause'' of serious injury—which means a cause that is important and not less than any other cause. This imposes an unfair, higher burden of proof on domestic industries than is required to prove injury under World Trade Organization standards. The Safeguards Code of the World Trade Organization was established to make sure that fair trade did not mean countries had to put up with unfair practices. The WTO standard requires only that there be a causal link between increased imports and serious injury. I believe that U.S. law should not impose a tougher standard for American companies of harm than the WTO uses for the international community. Applying the WTO standard is responsible and reasonable. In this bill, we propose to establish the same standard for the U.S. as is used by the WTO. Free trade must mean fair trade.

In addition, in this bill we also intend to conform U.S. law to the standard in the WTO Safeguards Code when considering the overall test for judging when there has been serious harm to a domestic industry. We clarify that the International Trade Commission (ITC) should review the overall condition of the domestic industry in determining the degree of that injury by making it clear that it is the effect of the imports on the overall state of the industry that counts, not solely the effect on any one of the particular criteria used in the evaluation.

Many of our trade partners, like Canada and Mexico, have more modern systems to track imports than we do in the United States. This legislation addresses that problem and provides us with better and more timely data on imports. Explicitly, this legislation requires that within 30 days of the enactment of this legislation, that the Secretary of Commerce, in consultation with the Secretary of the Treasury, will establish an import permit and monitoring program which applies to any one importing a product under chapter 72 or 73 of the Harmonized Tariff Schedule of the United States that is initially entered into a bonded warehouse or foreign trade zone. Steel import permits will be required before the merchandise is entered into the customs territory of the United States. These permits will be valid for 30 days. The data collected from this permit program will be compiled in aggregate form and be made publicly available on a weekly basis and posted on an Internet site. The Administration already proposed releasing import data earlier and publicly as part of its January, 1999, report to Congress on steel. This legislation will complement that proposal. The Secretary of Commerce will be able to impose reasonable fees to defray the costs of this program.

It is our sincere hope that Congress will enact this legislation as part of trade legislation that moves in the 106th Congress. Passage of this legislation will send the message that the United States will fight for the right of its industries to compete on a level playing field in world trade. If imports flood our markets, we will act to protect American industries against the consequences.

I am someone who adamantly believes the promotion of free trade is essential to our country's continued economic growth. If we are to continue to expand the trade base of our economy we need U.S. industry to know that we will keep it fair. American industry and American workers can deal with fair trade, but they shouldn't be asked to sit still for unfair trade practices that hurt workers and their families, while robbing the profit-margins of U.S. companies.

I intend to work in the 106th Congress, with my colleagues on the Finance Committee and those in the Administration responsible for trade policy, to give the President better, more effective tools to ensure that our country can insist trade be free and fair. Our steel industry, indeed all U.S. industries, deserves no less. But this legislation alone will not remedy the steel crisis our country faces. Rest assured, I will continue to carefully review my legislative options and take other appropriate actions in the near future to help fight this important crisis.

COUNTRY OF ORIGINAL LABELING BILL

Mr. BURNS. Mr. President, I rise today to sponsor a bill being introduced by myself, Mr. CRAIG and Mr. THOMAS on an issue of great importance to my state and the agricultural industry. The issue is that of labeling meat coming into America from other countries.

This language offered today will require all meat products that are imported from a foreign country to be labeled with the country of origin of that meat. This bill will protect the consumer as well as the agricultural industry, which has had to face severe competition from foreign countries in recent years.

American agricultural producers are currently faced with a huge influx of imports from both Canada and Mexico. Country of origin labeling would do two very important things. First, it would present the consumer with the knowledge to make the choice which meat they want to buy. 78% of consumers polled by Wirthlin Worldwide endorse country of origin labeling. 70%! This says to me that consumers want to be making informed decisions. The vast majority of other types of products that come into the U.S. are labeled with the country they originated in. To name a few, we are aware of where our textiles, manufactured parts, automobiles and watches come from. Why should food be any different? Consumers go to the store with the assumption they are buying U.S. made product. In fact, this is usually not the case. Consumers are completely aware of the country of origin of each article of clothing they put on the outside of their body. Yet they have no idea where any of the food they put inside their body comes from. Many consumers prefer to buy ''Made in the U.S.A.'' and they especially have a right to know.

Secondly, this bill will protect both the American producer and the American consumer. Currently, foreign meat that comes into the U.S. is rolled with the USDA grade stamp. This is grossly unfair to the producer and consumer alike. The USDA stamp on foreign product is a detriment to the producer because foreign countries get the benefit of the grade stamp, without having to pay for it. America's producers need the protection of country of origin labeling to assure that the USDA label really means just that—produced in the U.S. It is a detriment to the consumer because they deserve to know that they are buying American and that they are buying absolutely the safest food supply in the world, which is grown by American farmers and ranchers.

Furthermore, other countries already require labeling of meat and meat products. Argentina, Australia, Brazil, Canada and Mexico currently require country of origin labeling. The European Union plans to do the same by the year 2000. If we are to compete in an international market, the U.S. must step up and level the playing field.

Again, American agriculture provides the American consumer with the safest, most reliable source of food and fiber in the world. Consumers have proven they want to know where their food comes from. With this in mind we then should be informing the American consumer that they really are purchasing American product.

I am proud and very pleased to serve as sponsor of this bill and I look forward to moving it through the legislative process so we may give our consumers the information and the choice to buy ''Made in the U.S.A.''

PREPAID TUITION

Mr. ABRAHAM. Mr. President, I rise to urge my colleagues' support for the Collegiate Learning and Student Savings, or ''CLASS,'' Act. This legislation will help Americans as they seek to secure, for themselves and for their children, the increased opportunity and earnings potential available only to college graduates in this country.

Mr. President, America is the land of opportunity. But that opportunity comes at a price. More and more that price comes in the form of an increasing cost of a college education. College graduates on average earn 40 percent more than do those who have not graduated from college. But the increased opportunity college provides keeps getting more and more expensive.

College costs have risen dramatically—5 to 6 percent every year over the past decade. According to the College Board, the average annual cost for tuition, room and board at a public university is now $7,472. At a private college the cost is a whopping $19,213 per year.

If costs continue rising as they have been, a four-year college education will cost $75,000 at a public university and $250,000 at a private college by the time the average newborn begins attending in 2016.

Costs like these can send families deeply into debt. American families have already accrued more college debt in the 1990's than during the 1960's, 1970's, and 1980's combined. Yet, according to a 1997 poll conducted for the Student Loan Marketing Association, only about 18 percent of families start saving for college before their child begins high school.

Why aren't more families saving for their children's college education? Clearly one important reason is the fact that Washington subsidizes student debt while penalizing savings. Student loans are offered at low, federally subsidized rates in order to help more kids afford college. But families that try to save in advance for college face a situation in which their income is taxed before it goes into a savings account, and the interest they earn on their education savings are then taxed again every year. It is time for Washington to stop punishing working families for planning ahead for their children's future. It is time to help middle class kids and their parents afford a college education.

Mr. President, this is why The Collegiate Learning and Student Savings, or ''CLASS,'' Act is so important. This legislation will help more than 2.5 million students afford a college education. It would extend tax-free treatment to prepaid tuition plans sponsored by States and private institutions.

Currently, 39 States, including my own State of Michigan, have prepaid tuition plans that allow parents to save for their children's college education. Now, a nationwide consortium of more than 100 private schools, in 32 different States, have launched a similar plan.

These plans overwhelmingly benefit working, middle-income families. For example, families with an annual income of less than $35,000 purchased 62 percent of the prepaid tuition contracts sold by Pennsylvania in 1996. In Kentucky, the average monthly contribution to a family's college savings account was $43 in 1995.

By making all of these plans tax-free, we can help families afford the ever-increasing cost of a college education. I urge my colleagues to support this important legislation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT TO CONGRESS ON THE STATE OF THE UNION—MESSAGE FROM THE PRESIDENT—PM 1

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was ordered to lie on the table.

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

Tonight, I have the honor of reporting on the State of the Union.

Let me begin by saluting the new Speaker of the House, and thanking him for extending invitations to two special guests who are sitting in the gallery with Mrs. Hastert. Lyn Gibson and Wei Ling Chestnut are the widows of the two brave Capitol Police Officers who gave their lives to defend freedom's house.

Speaker HASTERT, at your swearing in, you asked us to work in a spirit of civility and bipartisanship. Mr. Speaker, let's do exactly that.

I stand before you to report that America has created the longest peacetime economic expansion in our history—with nearly 18 million new jobs, wages rising at more than twice the rate of inflation, the highest homeownership in history, the smallest welfare rolls in 30 years—and the lowest peacetime unemployment since 1957.

For the first time in three decades, the budget is balanced. From a deficit of $290 billion in 1992, we had a surplus of $70 billion last year. We are on course for budget surpluses for the next 25 years.

Violent crime is the lowest in a quarter century. Our environment is the cleanest in a quarter century.

America is a strong force for peace from Northern Ireland, to Bosnia, to the Middle East.

Thanks to the pioneering leadership of Vice President GORE, we have a government for the Information Age. Once again, our government is a progressive instrument of the common good, rooted in our oldest values: opportunity, responsibility, community. A modern government, devoted to fiscal responsibility and determined to give our people the tools they need to make the most of their own lives. A 21st century government for 21st century America.

My fellow Americans, I stand before you to report that the state of our union is strong.

America is working again. The promise of our future is limitless. But we cannot realize that promise if we allow the hum of our prosperity to lull us into complacency. How we are as a nation far into the 21st century depends upon what we do as a nation today.

So with our budget surplus growing, our economy expanding, our confidence rising, now is the moment for this generation to meet our historic responsibility to the 21st century. Let's get to work.

THE AGING OF 21ST CENTURY AMERICA

Our fiscal discipline gives us an unsurpassed opportunity to address a remarkable new challenge: the aging of America.

With the number of elderly Americans set to double by 2030, the Baby Boom will become a Senior Boom.

So first and above all, we must save Social Security for the 21st century.

Early in this century, being old meant being poor. When President Roosevelt created Social Security, thousands wrote to thank him for eliminating what one woman called the ''stark terror of penniless, helpless old age.'' Even today, without Social Security, half our nation's elderly would be forced into poverty.

Today, Social Security is strong. But by 2013, payroll taxes will no longer be sufficient to cover monthly payments. And by 2032, the Trust Fund will be exhausted, and Social Security will be unable to pay out the full benefits older Americans have been promised.

The best way to keep Social Security a rock-solid guarantee is not to make drastic cuts in benefits; not to raise payroll tax rates; and not to drain resources from Social Security in the name of saving it.

Instead, I propose that we make the historic decision to invest the surplus to save Social Security.

Specifically, I propose that we commit sixty percent of the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector just as any private or state government pension would do. This will earn a higher return and keep Social Security sound for 55 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. And we should reduce poverty among elderly women, who are nearly twice as likely to be poor as other seniors—and we should eliminate the limits on what seniors on Social Security can earn.

These changes will require difficult but fully achievable choices. They must be made on a bipartisan basis. They should be made this year. I reach out my hand to those of you of both parties and both houses and ask you to join me in saying; We will Save Social Security now. Last year, we wisely reserved all of the surplus until we knew what it would take to save Social Security. Again, I say, we should not spend any of it until Social Security is truly saved. First things first.

Second, once we have saved Social Security, we must fulfill our obligation to save and improve Medicare. Already, we have extended the life of Medicare by 10 years—but we should extend it for at least another decade. Tonight I propose that we use one out of every six dollars in the surplus over the next 15 years to guarantee the soundness of Medicare until the year 2020.

But again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the bipartisan Medicare commission. If we work together, we can secure Medicare for the next two decades and cover seniors' greatest need—affordable prescription drugs.

Third, we must help all Americans, from their first day on the job, to save, to invest, to create wealth. From its beginning, Americans have supplemented Social Security with private pensions and savings. Yet today, millions of people retire with little to live on other than Social Security. Americans living longer than ever must save more than ever.

Therefore, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st century. I propose that we use 11% of the surplus to establish Universal Savings Accounts—USA Accounts—to give all Americans the means to save. With these new accounts, Americans can invest as they choose, and receive funds to match a portion of their savings, with extra help for those least able to save.

USA Accounts will help all Americans to share in our nation's wealth, and enjoy a more secure retirement.

Fourth, we must invest in long-term care. I propose a tax credit of $1,000 for the aged, ailing and disabled and the families who care for them. Long term care will become a bigger and bigger challenge with the aging in America—and we must help our families deal with it.

I was born in 1946, the first year of the Baby Boom. And I can tell you that our generation is determined not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren. Our economic success and fiscal discipline now give us an opportunity to lift that burden.

Saving Social Security, Medicare and creating USA accounts is the right way to use the surplus. If we do so, we will still have resources to meet our critical needs in education and defense. And this plan is fiscally sound. Listen to this: By saving the money we need to save Social Security and Medicare, over the next fifteen years we will achieve the lowest level of publicly held debt since 1917.

With these four measures—saving Social Security, strengthening Medicare, establishing USA Accounts, and supporting long-term care—we can begin to meet our generation's historic responsibility to establish true security for 21st century seniors.

21ST CENTURY SCHOOLS

There are more children, from more diverse backgrounds, in our public schools than at any time in our history. Their education must provide the knowledge and nurture the creativity that will allow our nation to thrive in the new economy.

Today we can say something we could not say six years ago: with tax credits and more affordable student loans, more Pell grants and work-study jobs, education IRAs, and the new HOPE Scholarship tax cut that more than 5 million Americans will receive this year, we have opened the doors of college to all.

With our help, nearly every state has set higher academic standards for public schools, and a voluntary national test is being developed to measure the progress of our students. With over one billion dollars in discounts available this year, we are on our way to our goal of connecting every classroom and library to the Internet.

Last fall, you passed our proposal to start hiring 100,000 new teachers to reduce class size in the early grades. Now I ask you to finish the job.

Our children are doing better. SAT scores are up. Math scores have risen in nearly all grades. But there is a problem: While our fourth graders outperform their peers in other countries in math and science, our eighth graders are around average, and our twelfth graders rank near the bottom.

We must do better. Each year the national government invests more than $15 billion in our public schools. I believe we must change the way we invest that money, to support what works and to stop supporting what doesn't.

Later this year, I will send Congress a plan that for the first time holds states and school districts accountable for progress and rewards them for results. My Education Accountability Act will require every school district receiving federal help to take the following five steps.

First, all schools must end social promotion.

No child should graduate from high school with a diploma he or she can't read. We do our children no favors when we allow them to pass from grade to grade without mastering the material.

But we can't just hold students back when the system fails them. So my balanced budget triples the funding for summer school and after school programs. We can keep one million students learning beyond regular school hours, when parents work and juvenile crime soars.

If you doubt this will work, look at Chicago, which ended social promotion and made summer school mandatory for those who don't master the basics. Math and reading scores are up three years running—with some of the biggest gains in some of the poorest neighborhoods.

Second, all states and school districts must turn around their worst performing schools—or shut them down. That is the policy established by Gov. Jim Hunt in North Carolina, where test scores made the biggest gains in the nation last year. My budget includes $200 million to help states turn around their failing schools.

Third, all states and school districts must be held responsible for the quality of their teachers. The great majority of teachers do a fine job. But in too many schools, teachers don't have college majors—or even minors—in the subjects they teach.

New teachers should be required to pass performance exams. All teachers should know the subjects they are teaching. My balanced budget contains new resources to help them reach higher standards.

To attract talented young teachers to the toughest assignments, I recommended a six-fold increase in college scholarships for students who commit to teach in the inner cities, isolated rural areas and Indian communities. Let's bring excellence into every part of America.

Fourth, we must empower parents, with more information and more

choices. In too many communities, it is easier to get information on the quality of the local restaurants than on the quality of the local schools. Every school district should issue report cards on every school.

And parents should have more choice in selecting their public schools. When I became President, there was just one independent, public charter school in all of America. With our support, there are 1100 today. My budget assures that early in the next century, there will be 3000.

Fifth, to ensure that our classrooms are truly places of learning, all states and school districts must adopt and implement discipline policies.

Now, let's do one more thing for our children. Today, too many of our schools are so old they're falling apart, or so overcrowded students must learn in trailers. Last fall, Congress missed the opportunity to change that. This year, with 53 million children in our schools, Congress must not miss that opportunity again. I ask you to help our communities build or modernize 5000 schools.

If we do these things—end social promotion, turn around failing schools, build modern ones, support qualified teachers, promote innovation, competition and discipline—we will begin to meet our generation's historic responsibility to create 21st century schools.

21ST CENTURY SUPPORT FOR AMERICAN FAMILIES

We must do more to help the millions of parents who give their all every day at home and at work.

The most basic tool of all is a decent income. Let's raise the minimum wage by a dollar an hour over the next two years.

And let's make sure women and men get equal pay for equal work by strengthening enforcement of equal pay laws.

Working parents also need quality child care. Again, this year, I ask Congress to support our plan for tax credits and subsidies for working families, improved safety and quality, and expanded after-school programs. Our plan also includes a new tax credit for stay-at-home parents. They need support too.

The Family Medical Leave Act—the first bill I signed into law—has now helped millions of Americans care for a new baby or an ailing relative without risking their jobs. We should extend Family Leave to 10 million more Americans working in smaller companies.

Parents should never face discrimination in the workplace. I will ask Congress to prohibit companies from refusing to hire or promote workers simply because they have children.

America's families deserve the world's best medical care.

Thanks to bipartisan federal support for medical research, we are on the verge of new treatments to prevent or delay diseases from Parkinsons to Alzheimers to arthritis to cancer.

As we continue our advances in medical science, we cannot let our health care system lag behind.

Managed care has transformed medicine in America—driving down costs, but threatening to drive down quality as well. I say to every American: You should have the right to know all your medical options—not just the cheapest. You should have the right to see a specialist. You should have the right to emergency care. You should have the right to continuity of care—to keep your doctor during pregnancy or chemotherapy or other treatment.

I have ordered these rights to be extended to the 85 million Americans served by Medicare, Medicaid, and other federal health programs. But only Congress can pass the Patients' Bill of Rights for all Americans. Last year, Congress missed that opportunity. This year, for the sake of our families, Congress must not miss that opportunity again. Pass a strong, enforceable Patients' Bill of Rights.

As more of our medical records are stored electronically, the threats to our privacy increase. Because Congress has given me the authority to act if it does not do so by August, one way or another, we will protect the privacy of medical records this year.

Two years ago, we acted to extend health coverage to up to 5 million children. Now, we should make it easier for small businesses to offer health insurance, and to give people between the ages of 55 and 65 who lose their health insurance the chance to buy into Medicare. And we should continue to ensure access to family planning.

No one should have to choose between keeping health care and taking a job. We should pass the landmark bipartisan legislation, proposed by Senators JEFFORDS, KENNEDY, ROTH and MOYNIHAN, to allow people with disabilities to keep health insurance when they go to work.

We need to enable public hospitals, and community and university health centers, to provide basic, affordable care for working families who have no insurance. My balanced budget makes a down payment toward that goal.

And we must step up our efforts to treat and prevent mental illness. No American should ever be afraid to address this disease. This year, we will host a White House Conference on Mental Health. With sensitivity and commitment, Tipper Gore is leading our efforts here—and I thank her.

As everyone knows, our children are targets of a massive media campaign to hook them on cigarettes. I ask this Congress to resist the tobacco lobby—to reaffirm the FDA's authority to protect children from tobacco, and hold the tobacco companies accountable while protecting tobacco farmers.

Smoking has cost taxpayers hundreds of billions of dollars under Medicare and other programs. The states are right: taxpayers shouldn't pay for the costs of lung cancer, emphysema and other smoking-related illnesses—the tobacco companies should. Tonight, I announce that the Justice Department is preparing a litigation plan to take the tobacco companies to court. And with funds we recover, we should strengthen Medicare.

If we act in these areas—minimum wage, family leave, child care, health care and the safety of our children—we will begin to meet our generation's historic responsibility to strengthen our families for the 21st century.

A 21ST CENTURY ECONOMY

Today, America is the most dynamic, competitive, job creating economy in history.

But we can do even better—in building a 21st century economy for all Americans.

Today's income gap is largely a skills gap. Last year, Congress passed a law enabling workers to get a skills grant to choose the training they need. This year, I recommend a five year commitment to this new system so that we can provide that training for all Americans who lose their jobs, and expand rapid response teams to help towns where businesses have closed. And I ask for a dramatic increase in federal support for adult literacy, so we can mount a national campaign aimed at the millions of working people who read at less than a fifth grade level.

In the past six years, we have cut the welfare rolls nearly in half. Two years ago, from this podium, I asked five companies to lead a national effort to hire people off welfare.

Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people—and our balanced budget will help another 200,000 people move to the dignity and pride of work.

We must bring the spark of private enterprise to every corner of America—building a bridge from Wall Street to Appalachia, to the Mississippi Delta, to our Native American communities—with more support for community development banks, empowerment zones and 100,000 vouchers for affordable housing.

And I ask Congress to support our bold plan to help businesses raise up to $15 billion of private sector capital to bring jobs and opportunity to our inner cities and rural areas—with tax credits and loan guarantees, including new American Private Investment Companies modeled on our Overseas Private Investment Corporation. Our greatest untapped markets are not overseas—they are right here at home.

We must bring prosperity back to the family farm. Dropping prices and the loss of foreign markets have devastated too many family farmers. I am ready

to work with lawmakers of both parties to create a farm safety net including crop insurance reform and farm income assistance.

We must strengthen our lead in technology.

Government investment led to the creation of the Internet. I propose a 28% increase in long-term computing research.

We must be ready for the 21st century from its very first moment, by solving the ''Y2K'' computer problem. Already, we have made sure that Social Security checks will come on time. If we work hard with state and local governments and businesses large and small, the ''Y2K problem'' can be remembered as the last headache of the 20th Century, not the first crisis of the 21st.

For our own prosperity, we must support economic growth abroad.

Until recently, one third of our economic growth came from exports. But over the past year and a half, financial turmoil overseas has put that growth at risk. Today, much of the world is in recession, with Asia hit especially hard.

This is the most serious financial crisis in a half century. To meet it, the United States and other nations have reduced interest rates and strengthened the International Monetary Fund. While the turmoil is not over, we are working with other nations to contain it.

At the same time, we will continue to work to build a global financial system for the 21st century that promotes prosperity and tames the cycles of boom and bust. This June I will meet with other world leaders to advance this historic purpose.

We must also create a freer and fairer trading system for the 21st century. Trade has divided Americans for too long. We must find the common ground on which business, workers, environmentalists, farmers and government can stand together.

We must tear down barriers, open markets, and expand trade. At the same time, we must ensure that ordinary citizens in all countries actually benefit from trade—trade that promotes the dignity of work, the rights of workers, the protection of the environment. And we must insist that international trade organizations be open to public scrutiny. In short, we must put a human face on the global economy.

We must enforce our trade laws when imports unlawfully flood our nation. I have already informed the government of Japan that if that nation's sudden surge of steel imports into our country is not reversed, America will respond.

We must help all American manufacturers hit hard at the present crisis—with loan guarantees and other incentives to increase U.S. exports by nearly $2 billion.

We can achieve a new consensus on trade, based on these principles. I ask Congress to join me in this common approach and to give the President the trade authority long used to advance our prosperity.

And tonight, I also issue a call to the nations of the world to join the United States in a new round of global negotiations to expand exports of services, of manufactures, and farm products.

We will work with the International Labor Organization on a new initiative to raise labor standards around the world. And this year, we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world.

If we do these things—invest in our people, our communities, and our technology, and lead in the global economy—then we will begin to meet the historic responsibility of our generation to build a 21st century prosperity for America.

A STRONG AMERICA IN A NEW WORLD

No nation in history has had the opportunity and the responsibility we now have to shape a world more peaceful, secure and free.

All Americans can be proud that our leadership helped to bring peace in Northern Ireland.

All Americans can be proud that our leadership has put Bosnia on the path to peace. And with our NATO allies, we are pressing the Serbian government to stop its brutal repression in Kosovo, to bring those responsible to justice, and give the people of Kosovo the self-government they deserve.

All Americans can be proud that our leadership renewed hope for lasting peace in the Middle East. Some of you were with me in December as we watched the Palestinian National Council completely renounce its call for the destruction of Israel. I ask Congress to provide resources to implement the Wye Agreement . . . to protect Israel's security, stimulate the Palestinian economy, and support our friends in Jordan. We must not, we dare not, let them down.

As we work for peace, we must also meet threats to our nation's security—including increased dangers from outlaw nations and terrorism. We will defend our security wherever we are threatened—as we did this summer when we struck at Osama bin Laden's network of terror. The bombing of our embassies in Kenya and Tanzania reminds us of the risks faced every day by those who represent America to the world. Let's give them our support, the safest possible workplaces, and the resources they need so America can continue to lead.

We must work to keep terrorisms from disrupting computer networks, to prepare local communities for biological and chemical emergencies, to support research into vaccines and treatments.

We must increase our efforts to restrain the spread of nuclear weapons and missiles, from North Korea to India and Pakistan.

We must expand our work with Russia, Ukraine, and the other former Soviet nations to safeguard nuclear materials and technology so they never fall into the wrong hands. My balanced budget will increase funding for these critical efforts by almost two thirds over the next 5 years.

With Russia, we must continue to reduce our nuclear arsenals. The START II treaty, and the framework we have already agreed to for START III, could cut them by 80% from their Cold War height.

It has been two years since I signed the Comprehensive Test Ban Treaty. If we don't do the right thing, other nations won't either. I ask the Senate to take this vital step: Approve the Treaty now, so we can make it harder for other nations to develop nuclear arms—and we can end nuclear testing forever.

For nearly a decade, Iraq has defied its obligations to destroy its weapons of terror and the missiles to deliver them. America will continue to contain Saddam—and we will work for the day when Iraq has a government worthy of its people.

Last month, in our action over Iraq, our troops were superb. Their mission was so flawlessly executed that we risk taking for granted the bravery and skill it required. Captain Jeff Taliaferro [tolliver], a 10-year veteran of the Air Force, flew a B–1B bomber over Iraq as we attacked Saddam's war machine. He is here with us tonight. Let us honor him and all the 33,000 men and women of Desert Fox.

It is time to reverse the decline in defense spending that began in 1985. Since April, together we have added nearly $6 billion to maintain our readiness. My balanced budget calls for a sustained increase over the next six years for readiness and modernization, and pay and benefits for our troops.

We are the heirs of a legacy of bravery represented by millions of veterans. America's defenders today stand ready at a moment's notice to go where comforts are new and dangers are many, doing what needs to be done as no one else can. They always come through for America. We must come through for them.

The new century demands new partnerships for peace and security.

The United Nations plays a crucial role, with allies sharing burdens America might otherwise bear alone. America needs a strong and effective UN. I want to work with this new Congress to pay our dues and our debts.

We must support security in Europe and Asia—expanding NATO and defining its new missions, maintaining our alliance with Japan, Korea, and our other Asian allies, and engaging China.

In China last year, I said to the leaders and people what I say again tonight: Stability can no longer be bought at the expense of liberty.

And I say again to the American people: It is important not to isolate China. The more we bring China into the world, the more the world will bring change and freedom to China.

Last spring, with some of you, I traveled to Africa, where I saw democracy and reform rising, but still held back by violence and disease. We must fortify African democracy and peace, by launching Radio Democracy for Africa, supporting the transition to democracy now beginning to take hold in Nigeria, and passing the African Trade and Development Act.

We are strengthening our ties to the Americas and the Caribbean—to educate children, fight drugs, deepen democracy, and increase trade.

In this hemisphere, every government but one is freely chosen by its people. We are determined that Cuba, too, will know the blessings of liberty.

The American people have opened their arms and their hearts to our Central American and Caribbean neighbors devastated by recent hurricanes. Working with Congress, we will help them to rebuild. When the First Lady and Tipper Gore visited the region, they saw thousands of American troops and volunteers. In the Dominican Republic, Hillary helped to rededicate a hospital that had been rebuilt by Dominicans and Americans, working side by side.

With her was someone who has been very important to the relief efforts.

Sports records are made, and sooner or later, they are broken. But making other people's lives better—and showing our children the true meaning of brotherhood—that lasts forever. So for far more than baseball, Sammy Sosa, you are a hero to two countries.

If we do all these things—pursue peace, fight terrorism, increase our strength, and renew our alliances—then we will begin to meet our generation's historic responsibility to build a stronger 21st century America in a freer, more peaceful world.

21ST CENTURY COMMUNITIES

As the world has changed, so have our own communities. We must make them safer, more livable, more united.

This year, we will reach our goal of 100,000 community police officers—ahead of schedule and under budget. The Brady Bill has stopped a quarter million felons, fugitives, and stalkers from buying handguns. Now, the murder rate is the lowest in 30 years, and the crime rate has dropped for six straight years.

Tonight, I propose a 21st century Crime Bill to deploy the latest technologies and tactics to make our communities even safer.

My balanced budget will help put up to 50,000 more police on the beat in the areas hardest hit by crime, and to equip them with new tools, from crime-mapping computers to digital mug shots.

We must break the deadly cycle of drugs and crime. My budget expands support for drug testing and treatment. It says to prisoners: If you stay on drugs, you stay behind bars. It says to those on parole: To keep your freedom, keep free of drugs.

Congress should restore the 5-day waiting period for buying a handgun—and extend the Brady Bill to prevent juveniles who commit violent crimes from buying a gun.

We must keep our schools the safest places in our communities.

Last year, we were horrified and heartbroken by the tragic killings in Jonesboro, Paducah, Pearl, Edinboro, Springfield. We were deeply moved by the courageous parents now working to keep guns out of the hands of children—so that other parents don't have to live through their loss.

After she lost her daughter, Suzann Wilson of Jonesboro, Arkansas came to the White House with a powerful plea: ''Please, please for the sake of your children, lock up your guns. . . . Don't let what happened in Jonesboro happen in your town.'' Suzann is here tonight with the First Lady, and we thank her for her courage and commitment. In memory of all the children who lost their lives to school violence, let's strengthen the Safe and Drug-Free School Act . . . let's pass legislation to require child trigger locks . . . let's keep our children safe.

A century ago, President Theodore Roosevelt defined our ''great, central task'' as ''leaving this land even a better land for our descendants than it is for us.'' Today, we are restoring the Florida Everglades, saving Yellowstone, preserving the red-rock canyons of Utah, protecting California's redwoods and our precious coasts.

But our most fateful new challenge is the threat of global warming. 1998 was the warmest year ever recorded. Last year's heat waves, floods, and storms are but a hint of what future generations may endure if we don't act now.

So tonight, I propose a new clean air fund to help communities reduce pollution, and tax incentives and investments to spur clean energy technologies. I will work with Congress to reward companies that take early, voluntary action to reduce greenhouse gases.

All communities face a preservation challenge, as they grow, and green space shrinks. 7,000 acres of farmland and open space are lost every day.

In response, I propose two major initiatives: first, a one billion dollar Livability Agenda to help communities save open space, ease traffic congestion, and grow in ways that enhance every citizen's quality of life; second, a one billion dollar Lands Legacy Initiative to preserve places of natural beauty all across America—from the most remote wilderness to the nearest city park. I thank Vice President GORE for his visionary leadership in helping to develop these landmark proposals.

To get the most out of your community, you have to give something back. That's why we created AmeriCorps—our national service program that gives today's generation a chance to serve their communities and earn money for college.

So far, in just four years, 100,000 young people have built low-income homes with Habitat for Humanity . . . helped tutor children . . . worked with FEMA to ease the burden of natural disasters . . . and performed countless other acts of service that have made America better.

I ask Congress to give more young Americans the chance to follow their lead.

We must work to renew our national community for the 21st century.

Last year, the House passed the bipartisan campaign finance reform legislation sponsored by Representatives SHAYS and MEEHAN and Senators MCCAIN and FEINGOLD. But a partisan minority in the Senate blocked reform. To the House I say: Pass it again, quickly. And to the Senate: Say yes to a strong democracy in the Year 2000.

Since 1997, our Initiative on Race has sought to bridge the divides between our people. In its report last fall, the Initiative's Advisory Board found that Americans want to bring our people together across racial lines. We are on a journey that in a very real sense began forty years ago, when a woman sat down on a bus in Alabama. She is sitting here with the First Lady tonight—Rosa Parks.

We must do more to close the opportunity gaps that remain. The economic, health care, and education initiatives I have discussed tonight will do a lot to close those gaps.

But we have more to do.

Discrimination or violence because of race or religion, ancestry or gender, disability or sexual orientation, is wrong. It should be illegal. Therefore I call upon Congress to make the Employment Non-Discrimination Act and the Hate Crimes Prevention Act the law of the land.

Since every person in America counts, every American must be counted. Let's have a census that uses the most modern scientific methods.

Our newest immigrants must be part of One America. They are revitalizing our cities, energizing our culture, building our new economy. We have a responsibility to make immigrants welcome here, and they have a responsibility to enter the mainstream of American life. That means learning English, and learning about our democratic system of government. There are now long waiting lines of immigrants seeking to do just that. Therefore, my

budget expands significantly our efforts to help them meet their responsibility.

Whether our ancestors came here on the Mayflower or on slave ships, whether they landed on Ellis Island or at Los Angeles Airport, whether they arrived yesterday or walked this land a thousand years ago—we can be, and we must be One America. We can only meet our generation's historic responsibility to the 21st century if we go forward as that One America.

THE MILLENNIUM

Barely more than 300 days from now, we will cross that bridge into the new millennium. This is a moment, as the First Lady has said, to honor the past and imagine the future.

I honor her—for leading our Millennium Project—for all she has done for our children—and for her historic role in serving our nation and advancing our ideals at home and abroad.

Last year, I called on Congress and every citizen to mark the millennium by saving America's treasures. Hillary has traveled across the country to inspire recognition and support for saving places like Thomas Edison's Invention Factory and Harriet Tubman's Home.

We must preserve our treasures in every community. I invite every American town, city, and county to become a nationally recognized ''Millennium Community'' by launching projects that save our history, promote our arts and humanities, and prepare our children for the future.

Already, the response has been remarkable, and I thank Congress and our private sector partners for their support. Because of you, the Star Spangled Banner will be preserved for the ages.

In ways large and small, we are keeping alive what George Washington called ''the sacred fire of liberty.''

Six years ago, I came to office in a time of doubt for America, with our economy troubled, our deficit high, our people divided. Some even wondered whether our best days were behind us. But across this nation, in a thousand neighborhoods, I had seen, even amid the pain and uncertainty of recession, the heart and character of America.

I knew then that we Americans could renew our country.

Tonight, as I deliver the last State of the Union message of the 20th Century, no one can doubt the enduring resolve and boundless capacity of Americans to work toward that ''more perfect union'' of our founders' dreams.

We near the end of a century when generation after generation of Americans answered the call to greatness, overcoming Depression, lifting up the dispossessed, bringing down barriers of racial prejudice, building the largest middle class in history, winning two world wars and the ''long twilight struggle'' of the Cold War.

We are profoundly grateful for the magnificent achievement of our forbears.

Yet perhaps in the daily press of events, in the clash of controversy, we do not see our own time for what it truly is—a new dawn for America.

A hundred years from tonight, an American President will stand in this place to report on the State of the Union. He—or she—will look back on a 21st century shaped in so many ways by the decisions we make here and now.

Let it be said of us then that we were thinking not only of our time, but of their time; that we reached as high as our ideals; that we put aside our divisions and found a new hour of healing and hopefulness; that we joined together to serve and strengthen the land we love.

My fellow Americans, this is our moment. Let us lift our eyes as one nation, and from the mountaintop of this American century, look ahead to the next one—asking God's blessing on our endeavors and our beloved country.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–707. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety Fitness Procedures'' (RIN2125–AC71) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–708. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''National Corridor Planning and Development Program and Coordinated Border Infrastructure Program—Implementation of the Transportation Equity Act for the 21st century'' (Docket FHWA–98–4622) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–709. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 767 Series Airplanes'' (Docket 97–NM–39–AD) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–710. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Eurocopter France Model SA 330F, G, and J Helicopters'' (Docket 97–SW–43–AD) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–711. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Anaktuvuk Pass, AK'' (Docket 98–AAL–16) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–712. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Atka, AK'' (Docket 98–AAL–18) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–713. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Nome, AK'' (Docket 98–AAL–12) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–714. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Yakutat, AK'' (Docket 98–AAL–17) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–715. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Unalakleet, AK'' (Docket 98–AAL–10) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–716. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; King Salmon, AK'' (Docket 98–AAL–11) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–717. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Eurocopter France Model AS 332C, L, and L1 Helicopters'' (Docket 97–SW–36–AD) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–718. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments'' (Docket 29380) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–719. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments'' (Docket 29379) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–720. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments'' (Docket 29381) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–721. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of the Legal Description of the Memphis Class B Airspace Area; TN'' (Docket 98–AWA–1) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–722. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; General Electric Aircraft Engines

CJ610 Turbojet and CF700 Series Turbofan Engines'' (Docket 98–ANE–60–AD) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–723. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Reno, NV'' (Docket 98–AWP–23) received on November 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–724. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Federal Motor Vehicle Safety Standards; Lamps, Reflective Devices and Associated Equipment'' (Docket NHTSA 98–4723) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–725. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Concordia, KS'' (Docket 98–ACE–46) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–726. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Goodland, KS'' (Docket 98–ACE–35) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–727. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Muscatine, IA'' (Docket 98–ACE–25) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–728. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Fairbury, NE'' (Docket 98–ACE–28) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–729. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Burkhart GROB Luft–und Raumfahrt GmbH Model G 109B Gliders'' (Docket 98–CE–72–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–730. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; McDonnell Douglas Model DC–9–31 Series Airplanes'' (Docket 97–NM–99–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–731. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; de Haviland Model DHC–7 Series Airplanes'' (Docket 98–NM–143–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–732. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; British Aerospace Model Viscount 744, 745, 745D, and 810 Series Airplanes'' (Docket 98–NM–217–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–733. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; McDonnell Douglas Model MD–11 Series Airplanes'' (Docket 98–NM–304–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–734. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Bell Helicopter Textron, Inc. Model 214B, 214B–1, and 214ST Helicopters'' (Docket 98–SW–12–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–735. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; International Aero Engines (IAE) V2500–A1 Series Turbofan Engines'' (Docket 98–ANE–67–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–736. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Dornier Model 328–100 Series Airplanes'' (Docket 98–NM–88–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–737. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Raytheon Model Hawker 800XP Series Airplanes'' (Docket 98–NM–195–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–738. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Pratt and Whitney JT9D Series Turbofan Engines'' (Docket 98–ANE–21–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–739. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Pratt and Whitney PW4000 Series Turbofan Engines'' (Docket 97–ANE–53–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–740. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 757–200 Series Airplanes Equipped With Rolls Royce Model RB211–535E4/E4B Engines'' (Docket 98–NM–294–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–741. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Raytheon Model BAe.125, DH.125, BH.125, and HS.125 Series Airplanes'' (Docket 97–NM–305–AD) received on November 16, 1998; to the Committee on Commerce, Science, and Transportation.

EC–742. A communication from the Secretary of the Panama Canal Commission, transmitting, pursuant to law, the report of two rules entitled ''Vessels Carrying Dangerous Packaged Goods Board of Local Inspectors; Composition Functions'' (RIN3207–AA26) and ''Tolls for Use of Canal'' (RIN3207–AA46) received on December 16, 1998; to the Committee on Armed Services.

EC–743. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled ''1997 Annual Report on Low-Level Radioactive Waste Management Progress''; to the Committee on Energy and Natural Resources.

EC–744. A communication from the Secretary of Energy, transmitting, pursuant to law, the Department's Viability Assessment of the Yucca Mountain Repository; to the Committee on Energy and Natural Resources.

EC–745. A communication from the Executive Director of the Japan-United States Friendship Commission, transmitting, pursuant to law, the Commission's annual report for fiscal year 1998; to the Committee on Foreign Relations.

EC–746. A communication from the Assistant Legal Advisor for Treaty Affairs, transmitting, pursuant to law, a report of international agreements other than treaties entered into by the United States (98–180 to 98–185); to the Committee on Foreign Relations.

EC–747. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Petitioning Requirements for the H–1B Nonimmigrant Classification Under Public Law 105–277'' received on December 14, 1998; to the Committee on the Judiciary.

EC–748. A communication from the Assistant Attorney General, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Final Guidelines for the Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act, as Amended'' (RIN1105–AA56) received on December 17, 1998; to the Committee on the Judiciary.

EC–749. A communication from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting, pursuant to law, a report entitled ''A Plan for the Use of the Little Traverse Bay Band of Odawa Indians; Judgement Fund Distribution''; to the Committee on Indian Affairs.

EC–750. A communication from the Chief of the Natural Resources Conservation Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Conservation Farm Option'' (RIN0578–AA20) received on December 16, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–751. A communication from the Administrator of the Rural Utilities Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Environmental Policies and Procedures'' (RIN0572–AB33) received on December 15, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–752. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Solid Wood Packing Material From China'' (RIN0579–AB01) received on December 16, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–753. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule

entitled ''Prescription Drug Product Labeling; Medication Guide Requirements'' (RIN0910–AA37) received on December 16, 1998; to the Committee on Labor and Human Resources.

EC–754. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on Model Projects for Youth Education and Domestic Violence; to the Committee on Labor and Human Resources.

EC–755. A communication from the Director of the National Institute on Disability and Rehabilitation Research, Department of Education, transmitting, pursuant to law, the annual report of the Interagency Committee on Disability Research for calendar year 1998; to the Committee on Labor and Human Resources.

EC–756. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers (Clarifying Agent)'' (Docket 98F–0291) received on December 16, 1998; to the Committee on Labor and Human Resources.

EC–757. A communication from the Chairman of the Postal Rate Commission, transmitting, pursuant to law, the Commission's report under the Inspector General Act for fiscal year 1998; to the Committee on Governmental Affairs.

EC–758. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the Office's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–759. A communication from the United States Office of Government Ethics, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendments to Financial Disclosure Rule for Executive Branch Employees'' (RIN3209–AA00) received on December 14, 1998; to the Committee on Governmental Affairs.

EC–760. A communication from the United States Office of Government Ethics, transmitting, pursuant to law, the report of a rule entitled ''Standards of Ethical Conduct for Employees of the Executive Branch'' (RIN3209–AA04) received on December 15, 1998; to the Committee on Governmental Affairs.

EC–761. A communication from the Executive Director of the Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, a list of additions to and deletions from the Committee's Procurement List dated December 9, 1998; to the Committee on Governmental Affairs.

EC–762. A communication from the Secretary of Education, transmitting, pursuant to law, the Department's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–763. A communication from the Chairman of the Board of Directors of the Panama Canal Commission, transmitting, pursuant to law, the Commission's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–764. A communication from the Inspector General of the United States Railroad Retirement Board, transmitting, pursuant to law, the Board's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–765. A communication from the Inspector General of the U.S. General Services Administration, transmitting, pursuant to law, the Administration's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–766. A communication from the Secretary of Labor, transmitting, pursuant to law, the Department's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–767. A communication from the Benefits Communications Manager, Farm Credit Bank of Wichita, transmitting, pursuant to law, the Bank's annual report for calendar year 1998; to the Committee on Governmental Affairs.

EC–768. A communication from the Interim District of Columbia Auditor, transmitting, pursuant to law, notice of a report entitled ''Statutory Audit of Advisory Neighborhood Commission 2C for the Period October 1, 1995 through December 31, 1997''; to the Committee on Governmental Affairs.

EC–769. A communication from the Interim District of Columbia Auditor, transmitting, pursuant to law, notice of a report entitled ''Audit of Advisory Neighborhood Commission 8E for the Period 09/01/96 through 07/31/98''; to the Committee on Governmental Affairs.

EC–770. A communication from the Chairman of the U.S. Commodity Futures Trading Commission, transmitting, pursuant to law, the Commission's report under the Federal Manager's Financial Integrity Act; to the Committee on Governmental Affairs.

EC–771. A communication from the Director of the Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Drawback; Correction'' (RIN1515–AB95) received on November 30, 1998; to the Committee on Governmental Affairs.

EC–772. A communication from the Deputy Associate Administrator for Acquisition, U.S. General Services Administration, transmitting, pursuant to law, the report of final and interim revisions to the Federal Acquisition Regulation received on December 17, 1998; to the Committee on Governmental Affairs.

EC–773. A communication from the Director of the Federal Bureau of Prisons, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Inmate Work and Performance Pay Program: Work Evaluation'' (RIN1120–AA74) received on December 14, 1998; to the Committee on the Judiciary.

EC–774. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Simplification of Grant Appeals Process'' (RIN0930–ZA00) received on December 16, 1998; to the Committee on Labor and Human Resources.

EC–775. A communication from the Chairman of the United States Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's report under the Inspector General Act for the period from April 1, 1998 through September 30, 1998; to the Committee on Governmental Affairs.

EC–776. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans''; Maryland; Control of Volatile Organic Compound From Sources That Store and Handle JP–4 Jet Fuel'' (FRL6202–6) received on December 17, 1998; to the Committee on Environment and Public Works.

EC–777. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans''; Revised Format of Materials Being Incorporated by Reference for Alabama'' (FRL6204–8) received on December 17, 1998; to the Committee on Environment and Public Works.

EC–778. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; Designation of Areas for Air Quality Planning Purposes'' (FRL6206–1) received on December 17, 1998; to the Committee on Environment and Public Works.

EC–779. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting pursuant to law, the report of a rule entitled ''Approval and Promulgation of Revisions to the Tennessee State Implementation Plan'' (FRL6205–1) received on December 17, 1998; to the Committee on Environment and Public Works.

EC–780. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Implementation Plans; California State Implementation Plan Revision; Kern County Air Pollution Control District'' (FRL6189–9) received on December 17, 1998; to the Committee on Environment and Public Works.

EC–781. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Standards of Performance for New Stationary Sources and National Emission Standards for Hazardous Air Pollutants; Delegation of Authority to the States of Iowa; Kansas; Missouri; Nebraska; Lincoln–Lancaster County, Nebraska; and City of Omaha, Nebraska'' (FRL6200–5) received on December 17, 1998; to the Committee on Environment and Public Works.

EC–782. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans''; State of Maine; Interim Final Determination that Maine has Avoided the Deficiencies of its I/M SIP revision (FRL6203–4) received on December 15, 1998; to the Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS (for himself, Mr. GREGG, Mr. LOTT, Mr. MCCAIN, Mr. MACK, and Mr. COVERDELL):

S. 2. A bill to extend programs and activities under the Elementary and Secondary

Education Act of 1965; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GRAMS (for himself, Mr. ROTH, Mr. ABRAHAM, Mr. ASHCROFT, Mr. LOTT, Mr. MCCAIN, Mr. COVERDELL, and Mrs. HUTCHISON):

S. 3. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates by 10 percent; to the Committee on Finance.

By Mr. WARNER (for himself, Mr. THURMOND, Mr. MCCAIN, Mr. SMITH of New Hampshire, Mr. INHOFE, Ms. SNOWE, Mr. ROBERTS, Mr. ALLARD, Mr. HUTCHINSON, Mr. SESSIONS, Mr. LOTT, Mr. MACK, Mr. COVERDELL, Mrs. HUTCHISON, Mr. SANTORUM, Mr. HAGEL, and Mr. ABRAHAM):

S. 4. A bill to improve pay and retirement equity for members of the Armed Forces; and for other purposes; to the Committee on Armed Services.

By Mr. DEWINE (for himself, Mr. ABRAHAM, Mr. ASHCROFT, Mr. GRASSLEY, Mr. HATCH, Mr. LOTT, Mr. MCCAIN, and Mr. COVERDELL):

S. 5. A bill to reduce the transportation and distribution of illegal drugs and to strengthen domestic demand reduction, and for other purposes; to the Committee on the Judiciary.

By Mr. DASCHLE (for himself, Mr. KENNEDY, Mrs. BOXER, Mr. DODD, Mr. DORGAN, Mr. EDWARDS, Mr. CLELAND, Mr. REID, Mr. DURBIN, Mrs. MURRAY, Mr. AKAKA, Mr. WYDEN, Mr. HARKIN, Ms. MIKULSKI, Mr. LEAHY, Mr. REED, Mr. SARBANES, Mr. WELLSTONE, Mrs. FEINSTEIN, Mr. BYRD, Mr. ROCKEFELLER, Mr. KERRY, Mr. TORRICELLI, Mr. BINGAMAN, Mr. BRYAN, Mr. JOHNSON, Mr. LAUTENBERG, Mr. SCHUMER, Mr. INOUYE, Mr. HOLLINGS, and Mr. LEVIN):

S. 6. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DASCHLE (for himself, Mr. KENNEDY, Mrs. MURRAY, Mr. SARBANES, Mr. ROBB, Mrs. FEINSTEIN, Mr. BRYAN, Mr. TORRICELLI, Mr. LEVIN, Mr. DODD, Mr. HARKIN, Mr. ROCKEFELLER, Mr. CLELAND, Mr. WELLSTONE, Mr. SCHUMER, Mr. EDWARDS, Mr. REID, Mrs. BOXER, Mr. DURBIN, Mr. BREAUX, Ms. MIKULSKI, Mr. KERRY, Mr. JOHNSON, Mr. BAUCUS, and Mr. LAUTENBERG):

S. 7. A bill to modernize public schools for the 21st century; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DASCHLE (for himself, Mr. ROCKEFELLER, Mr. BREAUX, Mrs. FEINSTEIN, Mrs. MURRAY, Mrs. BOXER, Mr. DURBIN, Mr. WELLSTONE, Mr. KERRY, Mr. MOYNIHAN, and Mr. LAUTENBERG):

S. 8. A bill to increase the Federal minimum wage, to repeal the marriage tax penalty, to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, to provide for pension reform, and to prohibit any changes to the pay-as-you-go rule in the Senate until Congress saves Social Security first; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. LEAHY, Mr. BIDEN, Mr. KENNEDY, Mr. TORRICELLI, Mr. SCHUMER, Mr. DORGAN, Mr. KERRY, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. BREAUX, Mr. DURBIN, Mr. BINGAMAN, Mr. BRYAN, and Mr. MOYNIHAN):

S. 9. A bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice sytem, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes; to the Committee on the Judiciary.

By Mr. DASCHLE (for himself, Ms. MIKULSKI, Mr. CLELAND, Mr. HARKIN, Mr. SARBANES, Mr. KENNEDY, Mrs. BOXER, Mr. DURBIN, Mr. ROCKEFELLER, Mr. DODD, Mr. BRYAN, Mr. JOHNSON, Mr. KOHL, Mr. KERRY, and Mr. LAUTENBERG):

S. 10. A bill to provide health protection and needed assistance for older Americans, including access to health insurance for 55 to 65 year olds, assistance for individuals with long-term care needs, and social services for older Americans; to the Committee on Finance.

By Mr. ABRAHAM:

S. 11. A bill for the relief of Wei Jingsheng; to the Committee on the Judiciary.

By Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. BROWNBACK, Mr. NICKLES, Mr. ABRAHAM, Mr. BURNS, Mr. COVERDELL, Mr. COCHRAN, Mr. CRAPO, Mr. FRIST, Mr. HELMS, Mr. HAGEL, Mr. KYL, Mr. MACK, Mr. MCCONNELL, Mr. SESSIONS, and Mr. ALLARD):

S. 12. A bill to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts appllicable to unmarried individuals; to the Committee on Finance.

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. MACK, Mr. ABRAHAM, Mr. COCHRAN, and Mr. COVERDELL):

S. 13. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

By Mr. COVERDELL (for himself and Mr. TORRICELLI):

S. 14. A bill to amend the Internal Revenue Code of 1986 to expand the use of education individual retirement accounts, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON (for herself, Mr. ASHCROFT, Mr. BROWNBACK, Mr. BURNS, Mr. COCHRAN, Mr. COVERDELL, Mr. CRAPO, Mr. GRAMM, Mr. HAGEL, Mr. KYL, Ms. SNOWE, and Mr. ALLARD):

S. 15. A bill to amend the Internal Revenue Code of 1986 to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. SARBANES, Mr. BRYAN, Mr. KERRY, Mr. ROCKEFELLER, Mr. DURBIN, Mr. WELLSTONE, Mr. MOYNIHAN, and Mr. LAUTENBERG):

S. 16. A bill to reform the Federal election campaign laws applicable to Congress; to the Committee on Rules and Administration.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mr. HARKIN, Mr. AKAKA, Mrs. MURRAY, Mr. KOHL, Mr. KERRY, Mr. KERREY, Mr. BINGAMAN, Mr. BRYAN, Mr. SARBANES, Mr. BIDEN, Mrs. BOXER, Mr. BREAUX, Mr. DURBIN, Mr. JOHNSON, Ms. LANDRIEU, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. REED, Mr. SCHUMER, Mr. TORRICELLI, Mr. WELLSTONE, Mr. LAUTENBERG, and Mrs. FEINSTEIN):

S. 17. A bill to increase the availability, affordability, and quality of child care; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. JOHNSON, Ms. MIKULSKI, Mr. KENNEDY, Mr. TORRICELLI, Mr. DURBIN, Mr. LEAHY, Mrs. BOXER, Mr. DORGAN, Mr. WELLSTONE, Mr. BRYAN, Mr. MOYNIHAN, and Mr. KERRY):

S. 18. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through enhanced enforcement; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. DORGAN, Mr. JOHNSON, Mr. KERREY, Mr. BAUCUS, Mr. DURBIN, Mr. KENNEDY, Mr. EDWARDS, Mr. WELLSTONE, Mr. CONRAD, and Mr. BINGAMAN):

S. 19. A bill to restore an economic safety net for agricultural producers, to increase market transparency in agricultural markets domestically and abroad, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LAUTENBERG (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. LEVIN, Mr. REID, Mr. ROCKEFELLER, Mr. TORRICELLI, Ms. MIKULSKI, Mr. BREAUX, Mrs. MURRAY, Mr. SCHUMER, Mrs. BOXER, Mr. SARBANES, Mr. DURBIN, Mr. LEAHY, Mr. WYDEN, Mr. BRYAN, Mr. MOYNIHAN, Mr. KERRY, Mr. LIEBERMAN, and Mr. KENNEDY):

S. 20. A bill to assist the States and local governments in assessing and remediating brownfield sites and encouraging environmental cleanup programs, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN (for himself and Mr. KERREY):

S. 21. A bill to reduce social security payroll taxes, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. HELMS, Mr. LOTT, Mr. DASCHLE, Mr. THOMPSON, Ms. COLLINS, and Mr. SCHUMER):

S. 22. A bill to provide for a system to classify information in the interests of national security and a system to declassify information, and for other purposes; to the Committee on Governmental Affairs.

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

S. 23. A bill to promote a new urban agenda, and for other purposes; to the Committee on Finance.

By Mr. SPECTER:

S. 24. A bill to provide improved access to health care, enhance informed individual choice regarding health care services, lower health care costs through the use of appropriate providers, improve the quality of health care, improve access to long term care, and for other purposes; to the Committee on Finance.

By Ms. LANDRIEU (for herself, Mr. MURKOWSKI, Mr. BREAUX, Mr. SESSIONS, Mr. JOHNSON, Mr. LOTT, Mr. CLELAND, Mr. GREGG, Ms. MIKULSKI, and Mr. COCHRAN):

S. 25. A bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban

Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. LEVIN, Ms. COLLINS, Mr. LIEBERMAN, Ms. SNOWE, Mr. WELLSTONE, Mr. JEFFORDS, Mr. DURBIN, Mr. SCHUMER, Mr. REID, Mr. BRYAN, Mr. SARBANES, Mr. ROBB, Mr. DORGAN, Mr. MOYNIHAN, Mr. KERRY, Mr. KERREY, Mr. CLELAND, Mr. LEAHY, Mr. BAYH, Mrs. FEINSTEIN, Mrs. BOXER, Mr. HOLLINGS, Mr. GRAHAM, Mr. JOHNSON, and Mr. CHAFEE):

S. 26. A bill entitled the ''Bipartisan Campaign Reform Act of 1999''; to the Committee on Rules and Administration.

By Mr. FEINGOLD (for himself and Mr. HOLLINGS):

S. 27. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to extend and clarify the pay-as-you-go requirements regarding the Social Security trust funds; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instuctions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. HATCH (for himself, Mr. BINGAMAN, and Mr. BENNETT):

S. 28. A bill to authorize an interpretive center and related visitor facilities within the Four Corners Monument Tribal Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 29. A bill to amend section 1086 of title 10, United States Code, to provide for payment under CHAMPUS of certain health care expenses incurred by certain members and former members of the uniformed services and their dependents to the extent that such expenses are not payments under medicare, and for other purposes; to the Committee on Armed Services.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. JOHNSON, Mr. WELLSTONE, Mr. KERREY, Mr. BINGAMAN, and Mr. BAUCUS):

S. 30. A bill to provide countercylical income loss protection to offset extreme losses resulting from severe economic and weather-related events, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THURMOND:

S. 31. A bill to amend title 1, United States Code, to clarify the effect and application of legislation; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 32. A bill to eliminate a requirement for a unanimous verdict in criminal trials in Federal courts; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. HELMS):

S. 33. A bill to amend title II of the Americans with Disabilities Act of 1990 and section 504 of the Rehabilitation Act of 1973 to exclude prisoners from the requirements of that title and section; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THURMOND:

S. 34. A bill to amend title 28, United States Code, to clarify the remedial jurisdiction of inferior Federal courts; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. GRAHAM, and Mr. BREAUX):

S. 35. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the long-term care insurance costs of all individuals who are not eligible to participate in employer-subsidized long-term care health plans; to the Committee on Finance.

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

S. 36. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants; to the Committee on Governmental Affairs.

By Mr. GRASSLEY:

S. 37. A bill to amend title XVIII of the Social Security Act to repeal the restriction on payment for certain hospital discharges to post-acute care imposed by section 4407 of the Balanced Budget Act of 1997; to the Committee on Finance.

By Mr. CAMPBELL (for himself, Mr. MACK, and Mrs. HUTCHISON):

S. 38. A bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period; to the Committee on Finance.

By Mr. STEVENS:

S. 39. A bill to provide a national medal for public safety officers who act with extraordinary valor above the call of duty, and for other purposes; to the Committee on the Judiciary.

By Mr. HELMS:

S. 40. A bill to protect the lives of unborn human beings; read the first time.

By Mr. HELMS:

S. 41. A bill to make it a violation of a right secured by the Constitution and laws of the United States to perform an abortion with the knowledge that the abortion is being performed solely because of the gender of the fetus; read the first time.

By Mr. HELMS:

S. 42. A bill to amend title X of the Public Health Service Act to permit family planning projects to offer adoption services; read the first time.

By Mr. HELMS:

S. 43. A bill to prohibit the provision of Federal funds to any State or local educational agency that denies or prevents participation in constitutional prayer in schools; read the first time.

By Mr. HELMS:

S. 44. A bill to amend the Gun-Free Schools Act of 1994 to require a local educational agency that receives funds under the Elementary and Secondary Education Act of 1965 to expel a student determined to be in possession of an illegal drug, or illegal drug paraphernalia, on school property, in addition to expelling a student determined to be in possession of a gun, and for other purposes; read the first time.

By Mr. HELMS:

S. 45. A bill to prohibit the executive branch of the Federal Government from establishing an additional class of individuals that is protected against discrimination in Federal employment, and for other purposes; read the first time.

By Mr. HELMS:

S. 46. A bill to amend the Civil Rights Act of 1954 to make preferential treatment an unlawful employment practice, and for other purposes; read the first time.

By Mr. KYL:

S. 47. A bill to establish a commission to study the impact on voter turnout of making the deadline for filing federal income tax returns conform to the date of federal elections; to the Committee on Rules and Administration.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. JOHNSON, Ms. MIKULSKI, Mr. KENNEDY, Mr. TORRICELLI, Mr. DURBIN, Mr. LEAHY, and Mrs. BOXER):

S. 48. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through enhanced enforcement; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STEVENS:

S. 49. A bill to amend the wetlands program under the Federal Water Pollution Control Act to provide credit for the low wetlands loss rate in Alaska and recognize the significant extent of wetlands conservation in Alaska property owners, and to ease the burden on overly regulated Alaskan cities, boroughs, municipalities, and villages; to the Committee on Environment and Public Works.

By Mrs. HUTCHISON (for herself and Mr. DEWINE):

S. 50. A bill to improve options for excellence in education; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BIDEN (for himself, Mr. SPECTER, Mrs. BOXER, Mrs. MURRAY, Ms. MIKULSKI, Ms. LANDRIEU, Mrs. FEINSTEIN, Mrs. LINCOLN, Ms. SNOWE, Mr. LAUTENBERG, Mr. REID, Mr. REED, Mr. DODD, Mr. INOUYE, Mr. KERRY, Mr. ROBB, Mr. SCHUMER, Mr. WELLSTONE, and Mr. KENNEDY):

S. 51. A bill to reauthorize the Federal programs to prevent violence against women, and for other purposes; to the Committee on the Judiciary.

By Mr. BOND (for himself, Mr. ASHCROFT, Mr. SANTORUM, Mr. BURNS, Mr. SHELBY, Mr. BROWNBACK, and Mr. INHOFE):

S. 52. A bill to provide a direct check for education; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KYL (for himself and Mr. COVERDELL):

S. 53. A bill to amend the Internal Revenue Code of 1986 to provide a reduction in the capital gain rates for all taxpayers and a partial dividend income exclusion for individuals, and for other purposes; to the Committee on Finance.

By Mr. KYL:

S. 54. A bill to amend the Internal Revenue Code of 1986 to repeal the corporate alternative minimum tax; to the Committee on Finance.

By Mr. KYL (for himself and Mr. COVERDELL):

S. 55. A bill to amend the Internal Revenue Code of 1986 to limit the tax rate for certain small businesses, and for other purposes; to the Committee on Finance.

By Mr. KYL (for himself, Mr. ALLARD, Mr. ASHCROFT, Mr. BURNS, Mr. COCHRAN, Mr. COVERDELL, Mr. CRAPO, Mr. ENZI, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. MURKOWSKI, Mr. ROBERTS, Mr. SMITH of New Hampshire, Mr. THOMAS, and Mr. SESSIONS):

S. 56. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

By Ms. MIKULSKI (for herself, Mr. SARBANES, Mr. ROBB, and Mr. WARNER):

S. 57. A bill to amend title 5, United States Code, to provide for the establishment of a

program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes; to the Committee on Foreign Relations.

By Ms. COLLINS (for herself, Mr. DURBIN, and Mr. JEFFORDS):

S. 58. A bill to amend the Communications Act of 1934 to improve protections against telephone service ''slamming'' and provide protections against telephone billing ''cramming'', to provide the Federal Trade Commission jurisdiction over unfair and deceptive trade practices of telecommunications carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. THOMPSON (for himself, Mr. BREAUX, and Mr. LOTT):

S. 59. A bill to provide Government wide accounting of regulatory costs and benefits, and for other purposes; to the Committee on Governmental Affairs.

By Mr. GRASSLEY:

S. 60. A bill to amend the Internal Revenue Code of 1986 to provide equitable treatment for contributions by employees to pension plans; to the Committee on Finance.

By Mr. DEWINE (for himself, Mr. HOLLINGS, Mr. ABRAHAM, Mr. SANTORUM, Mr. SPECTER, Mr. BYRD, Mr. HUTCHINSON, and Mr. VOINOVICH):

S. 61. A bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions; to the Committee on Finance.

By Mr. KOHL:

S. 62. A bill to amend the Internal Revenue Code of 1986 to provide for the rollover of gain from the sale of farm assets into an individual retirement account; to the Committee on Finance.

By Mr. KOHL:

S. 63. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes; to the Committee on Finance.

By Mr. KERRY:

S. 64. A bill to amend section 313 of the Tariff Act of 1930 to allow duty drawback for grape juice concentrates, regardless of color or variety; to the Committee on Finance.

By Mr. KERRY:

S. 65. A bill to apply the rates of duty effective after December 31, 1994, to certain water resistant wool trousers that were entered, or withdrawn from warehouse for consumption, after December 31, 1988, and before January 1, 1995; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 66. A bill to establish the Kate Mullany National Historic Site in the State of New York, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN (for himself, Mr. KERRY, Mr. DURBIN, Mr. ROBB, Mr. SCHUMER, and Mr. KENNEDY):

S. 67. A bill to designate the headquarters building of the Department of Housing and Urban Development in Washington, District of Columbia, as the ''Robert C. Weaver Federal Building''; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 68. A bill for the relief of Dr. Yuri F. Orlov of Ithaca, New York; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 69. A bill to make available funds under the Foreign Assistance Act of 1961 to provide scholarships for nationals of any of the independent states of the former Soviet Union to undertake doctoral graduate study in the social sciences; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 70. A bill to require the establishment of a Federal task force on Regional Threats to International Security; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 71. A bill to amend title 38, United States Code, to establish a presumption of service-connection for certain veterans with Hepatitis C, and for other purposes; to the Committee on Veterans Affairs.

By Ms. SNOWE:

S. 72. A bill to amend title 38, United States Code, to restore the eligibility of veterans for benefits resulting from injury or disease attributable to the use of tobacco products during a period of military service, and for other purposes; to the Committee on Veterans Affairs.

By Mr. MOYNIHAN:

S. 73. A bill to make available funds under the Mutual Educational and Cultural Exchange Act of 1961 to provide Fulbright scholarships for Cuban nationals to undertake graduate study in the social sciences; to the Committee on Foreign Relations.

By Mr. DASCHLE (for himself, Mr. KERRY, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Mr. REID, Mr. WYDEN, Mrs. BOXER, Mr. LAUTENBERG, Mr. KENNEDY, Mr. KERREY, Mr. DURBIN, Ms. LANDRIEU, Mr. REED, Mr. ROBB, Mr. TORRICELLI, Mr. BREAUX, Mr. WELLSTONE, and Mrs. FEINSTEIN):

S. 74. A bill to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. LUGAR (for himself, Mr. HAGEL, Mr. ROBERTS, and Mr. HELMS):

S. 75. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. HAGEL, Mr. ROBERTS, and Mr. HELMS):

S. 76. A bill to phase-out and repeal the Federal estate and gift taxes and the tax on generational-skipping transfers; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. HAGEL, Mr. ROBERTS, and Mr. HELMS):

S. 77. A bill to increase the unified estate and gift tax credit to exempt small businesses and farmers from estate taxes; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. HAGEL, Mr. ROBERTS, and Mr. HELMS):

S. 78. A bill to amend the Internal Revenue Code of 1986 to increase the gift tax exclusion to $25,000; to the Committee on Finance.

By Ms. SNOWE (for herself and Mr. JEFFORDS):

S. 79. A bill to amend the Federal Election Campaign Act of 1971 to require disclosure of certain disbursements made for electioneering communications, and for other purposes; to the Committee on Rules and Administration.

By Ms. SNOWE:

S. 80. A bill to establish the position of Assistant United States Trade Representative for Small Business, and for other purposes; to the Committee on Finance.

By Mr. MCCAIN (for himself, Mr. FRIST, Mr. ALLARD, and Mr. AKAKA):

S. 81. A bill to authorize the Federal Aviation Administration to establish rules governing park overflights; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, Mr. LOTT, Mr. ROCKEFELLER, Mr. FRIST, Mr. BRYAN, Mr. WYDEN, Mr. AKAKA, Mr. GORTON, and Mr. DORGAN):

S. 82. A bill to authorize appropriations for Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. AKAKA:

S. 83. A bill to consolidate and revise the authority of the Secretary of Agriculture relating to plant protection and quarantine, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUNNING:

S. 84. A bill to amend the Internal Revenue Code of 1986 to provide exemptions from taxation with respect to public safety officers killed in the line of duty; to the Committee on Finance.

By Mr. BUNNING:

S. 85. A bill to amend the Internal Revenue Code of 1986 to reduce the tax on vaccines to 25 cents per dose; to the Committee on Finance.

By Mr. BUNNING:

S. 86. A bill to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security; to the Committee on Finance.

By Mr. BUNNING:

S. 87. A bill to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualifying placement agencies, and for other purposes; to the Committee on Finance.

By Mr. BUNNING:

S. 88. A bill to amend title XIX of the Social Security Act to exempt disabled individuals from being required to enroll with a managed care entity under the medicaid program; to the Committee on Finance.

By Mr. HUTCHINSON:

S. 89. A bill to state the policy of the United States with respect to certain activities of the People's Republic of China, to impose certain restrictions and limitations on activities of and with respect to the People's Republic of China, and for other purposes; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 90. A bill to establish reform criteria to permit payment of United States arrearages in assessed contributions to the United Nations; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 91. A bill to restrict intelligence sharing with the United Nations; to the Committee on Foreign Relations.

By Mr. DOMENICI (for himself, Mr. THOMPSON, Mr. LIEBERMAN, Mr. THOMAS, Ms. SNOWE, Mr. ROTH, Mr. GRASSLEY, Mr. GRAMM, Mr. NICKLES, Mr. ABRAHAM, Mr. FRIST, Mr. GRAMS, Mr. SMITH of Oregon, Mr. MCCAIN, Mr. KYL, Mr. LUGAR, and Ms. COLLINS):

S. 92. A bill to provide for biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government; to the Committee on the Budget and the Committee on

Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. DOMENICI (for himself, Mr. GRASSLEY, Mr. GORTON, Mr. ABRAHAM, Mr. FRIST, Mr. GRAMS, Mr. SMITH of Oregon, Mr. THOMAS, Mr. KYL, Mr. MACK, and Mr. VOINOVICH):

S. 93. A bill to improve and strengthen the budget process; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report of be discharged.

By Mr. MCCAIN:

S. 94. A bill to repeal the telephone excise tax; to the Committee on Finance.

By Mr. MCCAIN:

S. 95. A bill to amend the Communications Act of 1934 to ensure that public availability of information concerning stocks traded on an established stock exchange continues to be freely and readily available to the public through all media of mass communication; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN:

S. 96. A bill to regulate commerce between and among the several States by providing for the orderly resolution of disputes arising out of computer-based problems related to processing data that includes a 2- digit expression of that year's date; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN (for himself and Mr. HOLLINGS):

S. 97. A bill to require the installation and use by schools and libraries of a technology for filtering or blocking material on the Internet on computers with Internet access to be eligible to receive or retain universal service assistance; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, and Mr. LOTT):

S. 98. A bill to authorize appropriations for the Surface Transportation Board for fiscal years 1999, 2000, 2001, and 2002, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN (for himself, Mrs. HUTCHISON, Mr. STEVENS, Mr. CRAIG, Mr. WARNER, and Mr. ASHCROFT):

S. 99. A bill to provide for continuing in the absence of regular appropriations for fiscal year 2000; to the Committee on Appropriations.

By Mr. MCCAIN:

S. 100. A bill to grant the power to the President to reduce budget authority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. LUGAR (for himself, Mr. ROBERTS, Mr. CRAIG, Mr. FITZGERALD, and Mr. COCHRAN):

S. 101. A bill to promote trade in United States agricultural commodities, livestock, and value-added products, and to prepare for future bilateral and multilateral trade negotiations; to the Committee on Finance.

By Mr. ABRAHAM:

S. 102. A bill to provide that the Secretary of the Senate and the Clerk of the House of Representatives shall include an estimate of Federal retirement benefits for each Member of Congress in their semiannual reports, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ALLARD (for himself and Mr. ENZI):

S. 103. A bill to amend the Internal Revenue Code of 1986 to eliminate the temporary increase in unemployment tax; to the Committee on Finance.

By Mr. GRAMS:

S. 104. A bill to provide for continuing appropriations in the absence of regular appropriations; to the Committee on Appropriations.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 105. A bill to deauthorize certain portions of the project for navigation, Bass Harbor, Maine; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 106. A bill to amend the Water Resources Development Act of 1996 to deauthorize the remainder of the project at East Boothbay Harbor, Maine; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 107. A bill to deauthorize the project for navigation, Boothbay Harbor, Maine; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 108. A bill to modify, and to deauthorize certain portions of, the project for navigation at Wells Harbor, Maine; to the Committee on Environment and Public Works.

By Mr. COVERDELL (for himself and Mr. CLELAND):

S. 109. A bill to improve protection and management of the Chattahoochee River National Recreation Area in the State of Georgia; to the Committee on Energy and Natural Resources.

By Mr. SMITH of Oregon:

S. 110. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a federally-funded screening program; to the Committee on Finance.

By Mr. GRAMM:

S. 111. A bill to authorize negotiation for the accession of Chile to the North American Free Trade Agreement, and for other purposes; to the Committee on Finance.

By Mr. GRAMM:

S. 112. A bill to authorize negotiation of free trade agreements with the countries of the Americas, and for other purposes; to the Committee on Finance.

By Mr. SMITH of Oregon (for himself, Mr. THURMOND, Mr. LEAHY, and Mr. JEFFORDS):

S. 113. A bill to increase the criminal penalties for assaulting or threatening Federal judges, their family members, and other public servants, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 114. A bill to amend title VII of the Public Health Service Act to revise and extend certain programs relating to the education of individuals as health professionals, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 115. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 116. A bill to establish a training voucher system, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 117. A bill to permit individuals to continue health plan coverage of services while participating in approved clinical studies; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 118. A bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decisionmaking at the National Cancer Institute; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 119. A bill to establish a Northern Border States-Canada Trade Council, and for other purposes; to the Committee on Finance.

By Ms. SNOWE:

S. 120. A bill to amend title II of the Trade Act of 1974 to clarify the definition of domestic industry and to include certain agricultural products for purposes of providing relief from injury caused by import competition, and for other purposes; to the Committee on Finance.

By Mr. FEINGOLD:

S. 121. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, age, or disability, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. FEINGOLD:

S. 122. A bill to amend title 37, United States Code, to ensure equitable treatment of members of the National Guard and the other reserve components of the United States with regard to eligibility to receive special duty assignment pay, and for other purposes; to the Committee on Armed Services.

By Mr. FEINGOLD:

S. 123. A bill to phase out Federal funding of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

By Mr. FEINGOLD:

S. 124. A bill to amend the Agricultural Adjustment Act to prohibit the Secretary of Agriculture from basing minimum prices for Class I milk on the distance or transportation costs from any location that is not within a marketing area, except under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. FEINGOLD (for himself and Mr. MCCAIN):

S. 125. A bill to reduce the number of executive branch political appointees; to the Committee on Governmental Affairs.

By Mr. FEINGOLD:

S. 126. A bill to terminate the Uniformed Services University of the Health Sciences; to the Committee on Armed Services.

By Mr. FEINGOLD:

S. 127. A bill to amend the Agricultural Market Transition Act to prohibit the Secretary of Agriculture from including any storage charges in the calculation of loan deficiency payments or loans made to producers for loan commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. FEINGOLD (for himself, Mr. KOHL, Mr. WYDEN, and Mr. JOHNSON):

S. 128. A bill to terminate operation of the Extremely Low Frequency Communication System of the Navy; to the Committee on Armed Services.

By Mr. FEINGOLD (for himself, Mr. LAUTENBERG, Mr. WYDEN, and Mr. JOHNSON):

S. 129. A bill to terminate the F/A–18E/F aircraft program; to the Committee on Armed Services.

By Ms. SNOWE:

S. 130. A bill to amend the Internal Revenue Code of 1986 to make the dependent care credit refundable, and for other purposes; to the Committee on Finance.

By Ms. SNOWE:

S. 131. A bill to amend the Internal Revenue Code of 1986 to allow a deduction from gross income for home care and adult day and respite care expenses of individual taxpayers with respect to a dependent of the taxpayer who suffers from Alzheimer's disease or related organic brain disorders; to the Committee on Finance.

By Ms. SNOWE:

S. 132. A bill to amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women; to the Committee on Finance.

By Mr. CRAIG:

S. 133. A bill for the relief of Benjamin M. Banfro; to the Committee on the Judiciary.

By Mr. FEINGOLD (for himself and Mr. KOHL):

S. 134. A bill to direct the Secretary of the Interior to study whether the Apostle Islands National Lakeshore should be protected as a wilderness area; to the Committee on Energy and Natural Resources.

By Mr. DURBIN (for himself, Ms. COLLINS, Mr. SPECTER, Mr. BAUCUS, Mr. KERREY, Ms. LANDRIEU, Mrs. BOXER, and Mr. JEFFORDS):

S. 135. A bill to amend the Internal Revenue Code of 1986 to increase the deduction for the health insurance costs of self-employed individuals, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. DASCHLE, Mrs. MURRAY, Mr. LEVIN, Mr. WELLSTONE, Mrs. BOXER, Mr. KERRY, Ms. MIKULSKI, and Mr. BAUCUS):

S. 136. A bill to provide for teacher excellence and classroom help; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KYL:

S. 137. A bill to amend the Internal Revenue Code of 1986 to repeal the increase in tax on social security benefits; to the Committee on Finance.

By Mr. KYL:

S. 138. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses of attending elementary and secondary schools and for contributions to charitable organizations which provide scholarships for children to attend such schools; to the Committee on Finance.

By Mr. ROBB (for himself and Mr. HOLLINGS):

S. 139. A bill to grant the power to the President to reduce budget authority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 140. A bill to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 141. A bill to amend section 845 of title 18, United States Code, relating to explosive materials; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 142. A bill to amend section 842 of title 18, United States Code, relating to recordkeeping requirements for explosive materials transfers; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 143. A bill to amend the Professional Boxing Safety Act of 1996 to standardize the physical examinations that each boxer must take prior to each professional boxing match and to require a brain CAT scan every 2 years as a requirement for the licensing of a boxer; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 144. A bill to require the Secretary of the Interior to review the suitability for inclusion in the National Wilderness Preservation System of the Everglades expansion area; to the Committee on Energy and Natural Resources.

By Mr. ABRAHAM:

S. 145. A bill to control crime by requiring mandatory victim restitution; to the Committee on the Judiciary.

By Mr. ABRAHAM (for himself, Mr. ALLARD, Mrs. FEINSTEIN, Mr. HATCH, Mr. THURMOND, Mr. HELMS, Mr. KYL, Mr. HUTCHINSON, Mr. GRAMS, Mr. ENZI, Mr. HAGEL, and Mr. COVERDELL):

S. 146. A bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes; to the Committee on the Judiciary.

By Mr. ABRAHAM (for himself, Mr. LEVIN, Mr. ASHCROFT, and Mr. DEWINE):

S. 147. A bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ABRAHAM (for himself, Mr. DASCHLE, Mr. CHAFEE, Mr. HATCH, and Mr. DURBIN):

S. 148. A bill to require the Secretary of the Interior to establish a program to provide assistance in the conservation of neotropical migratory birds; to the Committee on Environment and Public Works.

By Mr. KOHL:

S. 149. A bill to amend chapter 44 of title 18, United States Code, to require the provision of a child safety lock in connection with the transfer of a handgun; to the Committee on the Judiciary.

By Mr. WYDEN:

S. 150. A bill to the relief of Marina Khalina and her son, Albert Mifakhov; to the Committee on the Judiciary.

By Mr. SARBANES:

S. 151. A bill to amend the International Maritime Satellite Telecommunications Act to ensure the continuing provision of certain global satellite safety services after the privatization of the business operations of the International Mobile Satellite Organization, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 152. A bill to amend the Internal Revenue Code of 1986 to increase the tax on handgun ammunition, to impose the special occupational tax and registration requirements on importers and manufactures of handgun ammunition, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 153. A bill to prohibit the use of certain ammunition, and for other purposes; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 154. A bill to amend title 18, United States Code, with respect to the licensing of ammunition manufacturers, and for other purposes; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 155. A bill to provide for the collection and dissemination of information on injuries, death, and family dissolution due to bullet-related violence, to require the keeping of records with respect to dispositions of ammunition, and to increase taxes on certain bullets; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 156. A bill to amend chapter 44 of title 18, United States Code, to prohibit the manufacture, transfer, or importation of .25 caliber and .32 caliber and 9 millimeter ammunition; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 157. A bill to amend the Internal Revenue Code of 1986 to tax 9 millimeter, .25 caliber, and .32 caliber bullets; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 158. A bill to amend title 18, United States Code, to regulate the manufacture, importation, and sale of ammunition capable of piercing police body armor; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 159. A bill to amend chapter 121 of title 28, United States Code, to increase fees paid to Federal jurors, and for other purposes; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 160. A bill to authorize the Architect of the Capitol to develop and implement a plan to improve the Capitol grounds through the elimination and modification of space alloted for parking; to the Committee on Rules and Administration.

By Mr. MOYNIHAN:

S. 161. A bill to provide for a transition to market-based rates for power sold by the Federal Power Marketing Administrations and the Tennessee Valley Authority, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Ms. LANDRIEU, Mr. HELMS, and Mr. NICKLES):

S. 162. A bill to amend the Internal Revenue Code of 1986 to change the determination of the 50,000-barrel refinery limitation on oil depletion deduction from a daily basis to an annual average daily basis; to the Committee on Finance.

By Mr. BREAUX:

S. 163. A bill to amend the Internal Revenue Code of 1986 to allow certain coins to be acquired by individual retirement accounts and other individually directed pension plan accounts; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 164. A bill to improve mathematics and science instruction; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN (for himself, Mr. JEFFORDS, and Mr. LIEBERMAN):

S. 165. A bill to require the Secretary of Education to correct poverty data to account for cost of living differences; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN:

S. 166. A bill to require the Secretary of Commerce to determine any surpluses or shortfalls in certain grant amounts made available to States by reason of an undercount in the most recent decennial census conducted by the Bureau of the Census; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 167. A bill to extend the authorization for the Upper Delaware Citizens Advisory Council and to authorize construction and operation of a visitor center for the Upper Delaware Scenic and Recreational River, New York and Pennsylvania; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 168. A bill for the relief of Thomas J. Sansone, Jr; to the Committee on the Judiciary.

By Mr. CLELAND (for himself, Mr. ROBB, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. BYRD, Mr. LIEBERMAN, Ms. LANDRIEU, Mr. REED, and Mr. DASCHLE):

S. 169. A bill to improve pay, retirement, and educational assistance benefits for members of the Armed Forces; and for other purposes; to the Committee on Armed Services.

By Mr. SMITH of New Hampshire (for himself, Mr. MOYNIHAN, and Mr. MACK):

S. 170. A bill to permit revocation by members of the clergy of their exemption from Social Security coverage; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. LEVIN, Mr. LEAHY, Mr. SCHUMER, Mrs. BOXER, and Mr. CLELAND):

S. 171. A bill to amend the Clean Air Act to limit the concentration of sulfur in gasoline used in motor vehicles; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN (for himself, Mr. SCHUMER, and Mr. LIEBERMAN):

S. 172. A bill to reduce acid deposition under the Clean Air Act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 173. A bill to amend the Immigration and Nationality Act to revise amendments made by the Illegal Immigration Reform and Immigrant Resposibility Act; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself, Mr. BENNETT, and Mr. DODD):

S. 174. A bill to provide funding for States to correct Y2K problems in computers that are used to administer State and local government programs; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 175. A bill to repeal the habeas corpus requirement that a Federal court defer to State court judgments and uphold a conviction regardless of whether the Federal court believes that the State court erroneously interpreted constitutional law, except in cases where the Federal court believes that the State court acted in an unreasonable manner; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 176. A bill to direct the Secretary of the Interior to conduct a study of alternatives for commemorating and interpreting the history of the Harlem Renaissance, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 177. A bill for the relief of Donald C. Pence; to the Committee on Veterans Affairs.

By Mr. INOUYE:

S. 178. A bill to amend the Public Health Service Act to provide for the establishment of a National Center for Social Work Research; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. 179. A bill to amend the Public Health Service Act to provide health care practitioners in rural areas with training in preventive health care, including both physical and mental care, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. 180. A bill to amend title XIX of the Social Security Act to provide for coverage of services provided by nursing school clinics under State Medicare programs; to the Committee on Finance.

By Mr. INOUYE:

S. 181. A bill to amend title XVIII of the Social Security Act to remove the restriction that a professional psychologist or clinical social worker provide services in a comprehensive outpatient rehabilitation facility to a patient only under the care of a physician, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 182. A bill to amend title 5, United States Code, to require the issuance of a prisoner-of-war medal to civilian employees of the Federal Government who are forcibly detained or interned by an enemy government or a hostile force under wartime conditions; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 183. A bill to amend title 10, United States Code, to authorize certain disabled former prisoners of war to use Department of Defense commissary and exchange stores; to the Committee on Armed Services.

By Mr. INOUYE:

S. 184. A bill to convert a temporary Federal judgeship in the district of Hawaii to a permanent judgeship, to authorize an additional permanent judgeship in the district of Hawaii, extend statutory authority for magistrate positions in Guam and the Northern Mariana Islands, and for other purposes; to the Committee on the Judiciary.

By Mr. ASHCROFT (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. BURNS, Mr. BROWNBACK, Mr. GRASSLEY, and Mr. INHOFE):

S. 185. A bill to establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative; to the Committee on Finance.

By Mr. MURKOWSKI (for himself and Mr. GORTON):

S. 186. A bill to provide for the reorganization of the Ninth Circuit Court of Appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Mr. DODD, Mr. BRYAN, Mr. LEAHY, Mr. EDWARDS, and Mr. HOLLINGS):

S. 187. A bill to give customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

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

S. 188. A bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 189. A bill to restore the traditional day of observance of Memorial Day; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 190. A bill to amend title 10, United States Code, to permit former members of the Armed Forces who have a service-connected disability rated as total to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are entitled to travel on such aircraft; to the Committee on Armed Services.

By Mr. INOUYE:

S. 191. A bill to require the Secretary of the Army to determine the validity of the claims of certain Filipinos that they performed military service on behalf of the United States during World War II; to the Committee on Armed Services.

By Mr. KENNEDY (for himself, Mr. DASCHLE, Mr. LEAHY, Mr. SARBANES, Mr. MOYNIHAN, Mr. LEVIN, Mr. DODD, Mr. LAUTENBERG, Mr. BINGAMAN, Mr. KERRY, Mr. HARKIN, Ms. MIKULSKI, Mr. AKAKA, Mr. WELLSTONE, Mrs. FEINSTEIN, Mrs. BOXER, Mrs. MURRAY, Mr. FEINGOLD, Mr. WYDEN, Mr. DURBIN, Mr. TORRICELLI, Mr. REED, and Mr. SCHUMER):

S. 192. A bill to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. BOXER:

S. 193. A bill to apply the same quality and safety standards to domestically manufactured handguns that are currently applied to imported handguns; to the Committee on the Judiciary.

By Mrs. BOXER:

S. 194. A bill to amend the Internal Revenue Code of 1986 to allow the first $2,000 of health insurance premiums to be fully deductible; to the Committee on Finance.

By Mrs. BOXER:

S. 195. A bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit; to the Committee on Finance.

By Mrs. BOXER:

S. 196. A bill to amend the Internal Revenue Code of 1986 to waive in the case of multiemployer plans the section 415 limit on benefits to the participant's average compensation for his high 3 years; to the Committee on Finance.

By Mrs. BOXER:

S. 197. A bill to amend the Outer Continental Shelf Lands Act to direct the Secretary of the Interior to cease mineral leasing activity on the outer Continental Shelf seaward of a coastal State that has declared a moratorium on mineral exploration, development, or production activity in State water; to the Committee on Energy and Natural Resources.

By Mrs. BOXER:

S. 198. A bill to amend the Public Health Service Act to provide for the training of health professions students with respect to the identification and referral of victims of domestic violence; to the Committee on Health, Education, Labor, and Pensions.

By Mr. LAUTENBERG (for himself and Mr. TORRICELLI):

S. 199. A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko; to the Committee on the Judiciary.

By Mr. HARKIN (for himself and Mr. JOHNSON):

S. 200. A bill to amend the Internal Revenue Code of 1986 to increase the years for

carryback of net operating losses for certain farm losses; to the Committee on Finance.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mrs. MURRAY, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Mr. AKAKA, Mrs. BOXER, and Mr. WELLSTONE):

S. 201. A bill to amend the Family and Medical Leave Act of 1993 to apply the Act to a greater percentage of the United States workforce, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN (for himself, Mr. KENNEDY, and Mr. DASCHLE):

S. 202. A bill to amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to improve access to health insurance and medicare benefits for individuals ages 55 to 65, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 203. A bill to amend title XIX of the Social Security Act to provide for an equitable determination of the Federal medical assistance percentage; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. JEFFORDS, and Mr. LIEBERMAN):

S. 204. A bill to amend chapter 5 of title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN (for himself and Mr. KERREY):

S. 205. A bill to establish a Federal Commission on Statistical Policy to study the reorganization of the Federal statistical system, to provide uniform safeguards for the confidentiality of information acquired from exclusively statistical purposes, and to improve the effeciency of Federal statistical programs and the quality of Federal statistics by permiting limited sharing of records among designated agencies for statistical purposes under strong safeguards; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN (for himself and Mr. CHAFEE):

S. 206. A bill to amend title XXI of the Social Security Act to provide for improved data collection and evaluations of State Children's Health Insurance Programs, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 207. A bill to amend title V of the Social Security Act to increase the authorization of appropriations for the maternal and child health services block grant and to promote integrated physical and specialized mental health services for children and adolescents; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 208. A bill to enhance family life; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 209. A bill to prohibit States from imposing a family cap under the program of temporary assistance to needy families; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 210. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. ROTH, Mr. BAUCUS, Mrs. BOXER, Mr. BRYAN, Mr. CONRAD, Mr. GRAHAM, Mr. GRASSLEY, Mr. HATCH, Mr. JEFFORDS, Mr. KYL, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. MURKOWSKI, Mr. ROBB, and Mr. SCHUMER):

S. 211. A bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 212. A bill to amend the Internal Revenue Code of 1986 to extend the economic activity credit for Purto Rico, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 213. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation of the cover over of tax on distilled spirits, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 214. A bill to amend the Internal Revenue Code of 1986 to extend the research and development tax credit to research in the Commonwealth of Puerto Rico and the possessions of the United States; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 215. A bill to amend title XXI of the Social Security Act to increase the allotments for territories under the State Children's Health Insurance Program; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. JEFFORDS):

S. 216. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the use of foreign tax credits under the alternative minimum tax; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. INOUYE, and Mr. WELLSTONE):

S. 217. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of charitable transfers of collections of personal papers with a separate right to control access; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. SCHUMER, and Mr. DURBIN):

S. 218. A bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 219. A bill to authorize appropriations for the United States Customs Service; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 220. A bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance and NAFTA transitional adjustment assistance programs under that Act, and for other purposes; to the Committee on Finance.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 221. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to combat fraud and price-gouging committed in connection with the provision of consumer goods and services for the clean-up, repair, and recovery from the effects of a major disaster declared by the President, and for other purposes; to the Committee on the Judiciary.

By Mr. LAUTENBERG (for himself and Mr. DEWINE):

S. 222. A bill to amend title 23, United States Code, to provide for a national standard to prohibit the operation of motor vehicles by intoxicated individuals; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself, Mr. ROBB, Mr. KENNEDY, Mr. DASCHLE, Mr. CONRAD, Mr. BINGAMAN, Mr. EDWARDS, Mr. TORRICELLI, Mr. KERRY, Mr. BREAUX, Mr. INOUYE, Mrs. BOXER, and Mr. JOHNSON):

S. 223. A bill to help communities modernize public school facilities, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 224. A bill to amend the Internal Revenue Code of 1986 to correct the treatment of tax-exempt financing of professional sports facilities; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 225. A bill to provide housing assistance to Native Hawaiians; to the Committee on Indian Affairs.

By Mr. FEINGOLD:

S. 226. A bill to promote democracy and good governance in Nigeria, and for other purposes; to the Committee on Foreign Relations.

By Mr. COVERDELL (for himself and Mr. BROWNBACK):

S. 227. A bill to prohibit the expenditure of Federal funds to provide or support programs to provide individuals with hypodermic needles or syringes for the use of illegal drugs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. 228. A bill for the relief of Susan Rebola Cardenas; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 229. A bill for the relief of the State of Hawaii; to the Committee on Finance.

By Mr. INOUYE:

S. 230. A bill to amend chapter 81 of title 5, United States Code, to authorize the use of clinical social workers to conduct evaluations to determine work-related emotional and mental illnesses; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 231. A bill to provide for a special application of section 1034 of the Internal Revenue Code of 1986; to the Committee on Finance.

By Mr. INOUYE:

S. 232. A bill to amend title XVIII of the Social Security Act to provide improved reimbursement for clinical social worker services under the medicare program, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 233. A bill to amend title VII of the Public Health Service Act to ensure that social work students of social work schools are eligible for support under the certain programs to assist individuals in pursuing health careers and programs of grants for training projects in geriatrics, and to establish a social work training program; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. 234. A bill to recognize the organization known as the National Academies of Practice; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 235. A bill to amend title VII of the Public Health Service Act to make certain graduate programs in professional psychology eligible to participate in various health professions loan programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. 236. A bill to amend title VII of the Public Health Service Act to establish a psychology post-doctoral fellowship program,

and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. INOUYE:

S. 237. A bill to allow the psychiatric or psychological examinations required under chapter 313 of title 18, United States Code, relating to offenders with mental disease or defect, to be conducted by a clinical social worker; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 238. A bill to amend title 10, United States Code, to increase the grade provided for the heads of the nurse corps of the Armed Forces; to the Committee on Armed Services.

By Mr. INOUYE:

S. 239. A bill to amend title 38, United States Code, to revise certain provisions relating to the appointment of professional psychologists in the Veterans Health Administration, and for other purposes; to the Committee on Veterans Affairs.

By Mr. DASCHLE (for himself and Mr. KENNEDY):

S. 240. A bill to amend the Public Health Service Act and the Employee Retirement Income Security Act to protect consumers in managed care plans and other health coverage; to the Committee on Health, Education, Labor, and Pensions.

By Mr. JOHNSON (for himself and Mr. ENZI):

S. 241. A bill to amend the Federal Meat Inspection Act to provide that a quality grade label issued by the Secretary of Agriculture for beef and lamb may not be used for imported beef or imported lamb; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JOHNSON (for himself and Mr. ENZI):

S. 242. A bill to amend the Federal Meat Inspection Act to require the labeling of imported meat and meat food products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 243. A bill to authorize the construction of the Perkins County Rural Water System and authorize financial assistance to the Perkins County Rural Water System, Inc., a nonprofit corporation, in the planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSON (for himself, Mr. DASCHLE, Mr. GRAMS, Mr. WELLSTONE, Mr. GRASSLEY, and Mr. HARKIN):

S. 244. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 245. A bill to reauthorize the Federal programs to prevent violence against women, and for other purposes; to the Committee on the Judiciary.

By Mr. HAGEL:

S. 246. A bill to protect private property rights guaranteed by the fifth amendment to the Constitution by requiring Federal agencies to prepare private property taking impact analyses and by allowing expanded access to Federal courts; to the Committee on Governmental Affairs.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. MCCAIN, Mr. DEWINE, Mr. KOHL, and Mr. LOTT):

S. 247. A bill to amend title 17, United States Code, to reform the copyright law with respect to satellite retransmissions of broadcast signals, and for other purposes; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. ASHCROFT, Mr. THURMOND, Mr. SESSIONS, and Mr. ABRAHAM):

S. 248. A bill to modify the procedures of the Federal courts in certain matters, to reform prisoner litigation, and for other purposes; to the Committee on the Judiciary.

By Mr. HATCH (for himself and Mr. DEWINE):

S. 249. A bill to provide funding for the National Center for Missing and Exploited Children, to reauthorize the Runaway and Homeless Youth Act, and for other purposes; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. DEWINE, and Mr. NICKLES):

S. 250. A bill to establish ethical standards for Federal prosecutors, and for other purposes; to the Committee on the Judiciary.

By Mr. BURNS (for himself, Mr. CRAIG, Mr. THOMAS, and Mr. ENZI):

S. 251. A bill to amend the Federal Meat Inspection Act to require that imported beef or lamb bear a label identifying the country of origin; to the Committee on Agriculture, Nutrition and Forestry.

By Mr. VOINOVICH:

S. 252. A bill to prohibit the recoupment of medicaid-related funds recovered from one or more tobacco companies; to the Committee on Finance.

By Mr. MURKOWSKI (for himself and Mr. GORTON):

S. 253. A bill to provide for the reorganization of the Ninth Circuit Court of Appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND:

S.J. Res. 1. A joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer; to the Committee on the Judiciary.

By Mr. KYL (for himself, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BROWNBACK, Mr. COVERDELL, Mr. CRAPO, Mr. FRIST, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. MCCONNELL, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, and Mr. THOMPSON):

S.J. Res. 2. A joint resolution proposing an amendment to the Constitution of the United States to require two-thirds majorities for increasing taxes; to the Committee on the Judiciary.

By Mr. KYL (for himself, Mrs. FEINSTEIN, Mr. BIDEN, Mr. GRASSLEY, Mr. INOUYE, Mr. DEWINE, Ms. LANDRIEU, Ms. SNOWE, Mr. LIEBERMAN, Mr. MACK, Mr. CLELAND, Mr. COVERDELL, Mr. SMITH of New Hampshire, Mr. SHELBY, Mr. HUTCHINSON, Mr. HELMS, Mr. FRIST, Mr. GRAMM, Mr. LOTT, and Mrs. HUTCHISON):

S.J. Res. 3. A joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims; to the Committee on the Judiciary.

By Mr. KYL:

S.J. Res. 4. A joint resolution proposing an amendment to the Constitution of the United States to provide that expenditures for a fiscal year shall exceed neither revenues for such fiscal year nor 19 per centum of the Nation's gross domestic product for the calendar year ending before the beginning of such fiscal year; to the Committee on the Judiciary.

By Mr. GRAMM (for himself and Mr. GORTON):

S.J. Res. 5. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself, Mr. SPECTER, Mr. MCCAIN, and Mr. BRYAN):

S.J. Res. 6. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. THURMOND, Mr. CRAIG, and Mr. ASHCROFT):

S.J. Res. 7. A joint resolution proposing an amendment to the Constitution of the United States to require a balanced budget; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself and Mr. HARKIN):

S. Res. 19. A resolution to express the sense of the Senate that the Federal investment in biomedical research should be increased by $2,000,000 in fiscal year 2000; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977 with instructions, that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. JEFFORDS (for himself and Mr. KENNEDY):

S. Res. 20. A resolution to rename the Committee on Labor and Human Resources the Committee on Health, Education, Labor, and Pensions; considered and agreed to.

By Mr. FRIST (for himself and Mr. THOMPSON):

S. Res. 21. A resolution congratulating the University of Tennessee Volunteers football team on winning the 1998 National Collegiate Athletic Association Division I-A football championship; considered and agreed to.

By Mr. CAMPBELL (for himself, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. BIDEN, Mr. BINGAMAN, Mr. BROWNBACK, Mr. BRYAN, Mr. BURNS, Mr. CLELAND, Mr. COVERDELL, Mr. CRAIG, Mr. CRAPO, Mr. DASCHLE, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. ENZI, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. KENNEDY, Mr. KERREY, Mr. LEAHY, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SPECTER, Mr. STEVENS, Mr. THURMOND, Mr. TORRICELLI, Mr. WARNER, and Mr. WELLSTONE):

S. Res. 22. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives serving as law enforcement officers; to the Committee on the Judiciary.

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

S. Res. 23. A resolution congratulating Michael Jordan on the announcement of his retirement from the Chicago Bulls and the National Basketball Association.

By Mr. LUGAR:

S. Res. 24. Senate resolution expressing the sense of the Senate that the income tax should be eliminated and replaced with a national sales tax; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. KYL):

S. Res. 25. A bill to reform the budget processs by making the process fairer, more efficient, and more open; to the Committee on Rules and Administration.

By Mr. MOYNIHAN:

S. Con. Res. 1. A concurrent resolution expressing congressional support for the International Labor Organization's Declaration on Fundamental Principles and Rights at Work; to the Committee on Health, Education, Labor, and Pensions.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS (for himself, Mr. GREGG, Mr. LOTT, Mr. MCCAIN, Mr. MACK, and Mr. COVERDELL):

S. 2. A bill to extend programs and activities under the Elementary and Secondary Education Act of 1965; to the Committee on Health, Education, Labor, and Pensions.

EDUCATIONAL OPPORTUNITIES ACT

Mr. JEFFORDS. Mr. President, I am pleased to join the distinguished Majority Leader in introducing the ''Educational Opportunities Act.'' This legislation extends programs authorized under the Elementary and Secondary Education Act (ESEA) and will serve as the foundation for our efforts this Congress to expand and strengthen those programs.

The 106th Congress will see the close of the 20th century and the birth of the new millennium. At such a time, one quite naturally begins to imagine the advances and challenges—the promises and perils—which lie ahead. As a nation, we have viewed the future with optimism. We know the march of civilization may at times be uphill, but we see it as nevertheless moving upward. We know as well that the success of our efforts will not rely upon luck, but upon hard work and thoughtful planning.

It comes as little surprise, therefore, that at this time in history our thoughts turn to education. From the kitchen table to the board room to the halls of Congress, education heads the agenda. That is as it should be, as we rediscover the truth in Aristotle's observation that ''all who have meditated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth.''

Reauthorization of federal elementary and secondary education programs offers this Congress an opportunity to make a lasting mark on the programs and policies which will define the role of the United States in the coming century. Our international competitors have long observed and admired our system of education. Unfortunately, in all too many cases, the pupils have surpassed the teacher. We lag behind many of our competitors. We must pick up the pace, and we must do so without delay.

The renewed emphasis on education has stimulated thinking and has produced a wealth of ideas regarding the paths we should follow. As chairman of the Senate committee charged with pulling these ideas into a sound and coherent package, I am looking forward to a Congress which is both challenging and productive.

It is my hope that the Educational Opportunities Act will build upon the education successes of the 105th Congress. We enacted nearly a dozen important initiatives which touched the lives of students of all ages—from youngsters in Head Start and Even Start, to special education students, to high school vocational students, to college undergraduates and graduate students, to adults in need of remedial education.

These successes were possible because of a willingness to work together towards common objectives. In the United States Congress, we begin with 535 individual road maps marking a course to our destination. Arriving there will require the good faith give-and-take which has characterized our finest moments as a democracy.

The legislation which Senator LOTT and I are introducing today does not fill in all the blanks regarding federal elementary and secondary education policy. What it does do is set the cornerstone for a final product in which I believe each and every member of Congress will take pride.

The findings and purposes contained in this legislation are intended to underscore the basic building blocks of success; parental involvement, qualified teachers, a safe learning environment, and a focus on high achievement by all students.

Everyone has a role to play in assuring our students acquire the knowledge and skills they need to make the United States number one in the world.

Parents are the first and most consistent educators in a child's life. Reading to young children and emphasizing the importance of education instils a love of learning which lasts a lifetime.

The teacher in the classroom is at the core of educational improvement. Without a strong, competent, well prepared teaching force, other investments in education will be of little value. It has been 15 years since the national crisis in education was raised by the ''A Nation At Risk'' report. The admonition was given in these terse words: If a foreign government has imposed on us our educational system we would have declared it an act of war.

Yet little has changed. There is some improvement in science but little in math. Children are coming to school slightly more prepared to learn, but this is primarily in the area of health.

It is obvious that nothing is going to change unless it changes in the classroom. And nothing will change in the classroom until the teachers change. And the teachers can't be expected to change until they have help in knowing what is expected of them.

The Higher Education Amendments enacted into law last October took significant steps towards demanding excellence from our teacher preparation program. With the Educational Opportunities Act, we now have the opportunity to focus on those already in the teaching force.

State and local officials are also important players. Not only do they provide the bulk of financial support for elementary and secondary education in the country, they are also undertaking significant initiatives to determine what children should know and to assess whether they have mastered that material.

The federal government, since the Elementary and Secondary Education Act was initiated in 1965, has offered support for these efforts—as well as providing critical additional resources to offer extra help to educationally disadvantaged students. In addition, the federal government makes a significant investment in research. A key challenge for us will be determining how the federal investments can be most effectively targeted. The research we support must not only be sound but must also be useful and readily available to states and localities.

Ultimately, the focus of all of our efforts must be on the student in the classroom. The training of teachers, the establishment of expectations, and the development of assessments are all pieces of the puzzle which take shape in the classroom itself. If we keep that objective foremost in mind, we will build the educational system we need and that our children deserve.

By Mr. GRAMS (for himself, Mr. ROTH, Mr. ABRAHAM, Mr. ASHCROFT, Mr. LOTT, Mr. MCCAIN, Mr. COVERDELL, and Mrs. HUTCHISON):

S. 3. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates by 10 percent; to the Committee on Finance.

TAX CUTS FOR ALL AMERICANS ACT

Mr. GRAMS. Mr. President, I rise today to introduce S. 3, the Tax Cuts for All Americans Act, along with Senator ROTH, Chairman of the Senate Finance Committee.

First, I'd like to commend the Senate Majority Leader for including this important legislation as one of the Republicans' top 5 agenda items and Finance Committee Chairman ROTH for making this a committee priority. This emphasizes the importance and commitment by Republicans to provide meaningful tax relief for working Americans.

Mr. President, American families are taxed at the highest levels in our history, even higher than during World War II, with nearly 40 percent of a typical family's budget going to pay taxes on the federal, state and local levels.

Today, the Clinton Administration consumes over 20.5 percent of America's entire gross domestic product. That's the highest level since 1945 when taxes were raised to pay for the war.

The average American family today spends more on taxes than it does on food, clothing, and housing combined. If the ''hidden taxes'' that result from the high cost of government regulations are factored in, a family today gives up more than 50 percent of its annual income to the government.

At a time when the combination of federal income and payroll taxes, state and local taxes, and hidden taxes consumes over half of a working family's budget, the taxpayers are in desperate need of relief.

Americans today are working harder but taking home less. Over $1.8 trillion of their income will be siphoned off to the federal government this year. It is more critical than ever to provide meaningful tax relief for working Americans.

Freedom for families means giving families the freedom to spend more of their own dollars as they choose. This tax relief would give Americans more freedom and create more economic opportunities for them and their children.

That's why I am introducing this legislation today. Tax relief should benefit all Americans, not just those who have been targeted in the past. My bill, S. 3, will do just that.

My bill will cut the personal tax rate for each American by 10 percent. It will increase incentives to work, save and invest. It will improve the standards of living for all Americans and permit the growth in our economy we expect to continue and it will encourage Americans to work harder and produce more.

By enacting the 10 percent across-the-board tax cut, we can begin turning back the decades of abuse taxpayers have suffered at the hands of their own government, a government too often eager to spend the taxpayers' money to expand its reach over more of our economy and personal lives.

It was John F. Kennedy who observed that ''an economy hampered with high tax rates will never produce enough revenue to balance the budget just as it will never produce enough output and enough jobs.''

Twenty-seven years ago, President Reagan enacted a 25 percent across-the-board tax cut and in 1986, President Reagan signed a landmark piece of legislation to reduce the marginal tax rate to a simple two-rate income tax system: 15 percent and 28 percent.

What resulted was nothing short of an economic miracle. Our nation experienced the longest peacetime economic expansion in American history, the benefits of which we are still enjoying today. Ronald Reagan fought for tax cuts, not to bribe special interest groups to buy their votes—but because individuals have a right to spend their own money.

President Reagan was right. When we enact the 10 percent across-the-board tax cut, we will make our economy more dynamic, and our families more prosperous as we approach the 21st century.

While I prefer a total overhaul of the tax system and will shortly introduce a bill to repeal the current system with a consumption tax, this is a much-needed first step we should all agree is our first priority for this Congress.

Mr. ABRAHAM. Mr. President, I rise to join my colleagues Senators GRAMS and ROTH in introducing S. 3, the Tax Cut for All Americans Act. This legislation will provide every American taxpayer with substantial tax relief by cutting all income tax rates 10 percent across the board, effective January first of this year.

American working families need this tax cut, Mr. President. They are now taxed at a higher rate than at any time since World War II. Not even at the height of the Vietnam War have the American people seen such a large part of their pay taken away from them in the form of taxes.

Since the current Administration came into office in 1993, federal taxes have gone up by over 35 percent, or over $600 billion. The nonpartisan Tax Foundation recently told us what these sky-high taxes mean to the typical American family. First, they mean that the typical family now pays more in total taxes than it spends on food, clothing and shelter combined—spending more than 38 percent on taxes and only 28 percent on food, clothing and housing.

Second, the typical American now works nearly three hours out of an eight hour day just to pay taxes. That American works from January 1 to May 10, the latest day ever, before he or she stops working for the government and starts working for him or herself.

Washington currently takes 21 percent of the national income in taxes. That's $6,810 for every man, woman and child in this country.

Mr. President, that is simply too much. Our high taxes place an undue burden on working families. They stifle entrepreneurial activity. They promise to put an end to our current era of sustained economic growth.

But hard times born of high taxes are not inevitable. We can lighten the tax burden on our working families. We can encourage entrepreneurial activity and economic growth. We can cut taxes and thereby ensure prosperity well into the next century.

Mr. President, when President Clinton passed the largest tax hike in American history, he did so on the grounds that budget deficits demanded increased federal revenue. There was indeed increased federal revenue after that tax hike. But it was fueled by a surprisingly strong economy, born of technological innovation and low inflation, factors strong enough to offset the dampening effects of higher taxes. Moreover, the excuse of budget deficits is no longer tenable.

We have entered an era of budget surplus. And it is our moral duty as well as our fiscal responsibility to lower taxes on those hard working Americans who pulled us out of the era of budget deficits.

What is more, by taking a small portion of our projected surplus and giving it back to the American people, we will ensure prosperity, economic growth, and healthy receipts for years to come.

Mr. President, this across the board tax cut will leave the current tax structure's progressivity intact. It also leaves current deductions and credits intact. It is not intended as a final solution to all of the problems in our tax system. This tax cut is intended as a well-deserved down payment on the money Washington owes to the American people—the money earned by the American people that should stay with the American people, to save, invest and spend as they see fit.

America's working families deserve a break. They also need it if they are to save and invest for their future and for the future of the American economy. It is time to give them that hard-earned tax break by cutting rates across the board by 10 percent. I urge my colleagues to support this important legislation in the name of fairness and economic responsibility.

By Mr. WARNER (for himself, Mr. THURMOND, Mr. MCCAIN, Mr. SMITH of New Hampshire, Mr. INHOFE, Ms. SNOWE, Mr. ROBERTS, Mr. ALLARD, Mr. HUTCHINSON, Mr. SESSIONS, Mr. LOTT, Mr. MACK, Mr. COVERDELL, Mrs. HUTCHISON, Mr. SANTORUM, Mr. HAGEL, and Mr. ABRAHAM):

S. 4. A bill to improve pay and retirement equity for members of the Armed Forces; and for other purposes; to the Committee on Armed Services.

THE SOLDIERS', SAILORS', AIRMEN'S, AND MARINES' BILL OF RIGHTS ACT OF 1999

Mr. WARNER. Mr. President, today Senator LOTT, the Majority Leader, introduced S–4, The Soldiers', Sailors',

Airmen's and Marines' Bill of Rights Act of 1999. This bill is an integral part of the National Security element of the Republican agenda that the Leader announced this morning.

Last fall, Senator LOTT, in an excellent exchange of letters with the President and Republican Chairmen, identified key problems with military pay levels and the military pay system. Following this exchange of letters, the Armed Services Committee held hearings on September 29, 1998 and again on January 5, 1999 in which General Shelton and the Service Chiefs described the many problems the military services were experiencing because of many years of shortfalls in funding. Particular emphasis was put on readiness, the retention of highly trained people and the inability to achieve recruiting goals.

The testimony of the Joint Chiefs was courageous. They spoke very candidly of the problems borne by the men and women in the military and how increased defense funding was needed in order to begin to alleviate these problems.

General Shelton and the Service Chiefs urged the President and the Congress to support a military pay raise that would begin to address inequities between military pay and civilian wages, and to resolve the inequity of the ''Redux'' retirement system.

Senators LOTT, MCCAIN, and ROBERTS took an initiative and showed leadership in developing this legislation. These Senators worked within the Armed Services Committee to craft a bill that would address the problems identified by the Joint Chiefs in a comprehensive and responsible manner.

The bill will provide military personnel a four-point-eight percent pay raise on January 1, 2000 and will require that future military pay raises be based on the annual Employment Cost Index plus one-half a percent. The bill restructures the military pay tables to recognize the value of promotions and to weight the pay raise toward mid-career NCOs and officers where retention is most critical. The Joint Chiefs testified that there is a pay gap between military and private sector wages of 14 percent. This bill moves aggressively to close this gap and ensure military personnel are compensated in an equitable manner.

The bill provides military personnel who entered the service after July 31, 1986 the option to revert to the previous military retirement system that provided a 50 percent multiplier to their base pay averaged over their highest three years and includes full cost-of-living adjustments; or, to accept a $30,000 bonus and remain under the ''Redux'' retirement system. The Joint Chiefs testified that the ''Redux'' retirement system is responsible for an increasing number of mid-career military personnel deciding to leave the service. S–4 will offer these highly trained personnel an attractive option to incentivize them to continue to serve a full career.

We will establish a Thrift Savings Plan that will allow service members to save up to five percent of their base pay, before taxes, and will permit them to directly deposit their enlistment and re-enlistment bonuses into their Thrift Savings Plan. In a separate section, the bill authorizes Service Secretaries to offer to match the Thrift Savings Plan contributions of those service members serving in critical specialities for a period of six years in return for a six year service commitment. This is a powerful tool to assist the services in retaining key personnel in the most critical specialities.

Senator MCCAIN was the key proponent of an initiative in the bill that would authorize a Special Subsistence Allowance to assist the most needy junior military personnel who are eligible for food stamps. The allowance would provide these families an additional $180 per month and will reduce the number of military families on the food stamp rolls.

As I and other Members of the Senate, have visited military bases here in the United States, in Bosnia and in other deployment areas, we have found that our young service men and women are doing a tremendous job, in many cases, under adverse conditions. In order to demonstrate to these highly trained and dedicated military personnel that we appreciate their sacrifices and contributions, we must move quickly to pass this legislation. Such action will permit military personnel and their families to make the decision to continue to serve and will assist the military services in recruiting the high quality force we have worked so hard to achieve.

I am proud to be a co-sponsor of this important legislation and will do my upmost to ensure its quick passage.

Mr. MCCAIN. Mr. President, I rise today with my Republican colleagues to introduce legislation, S. 4, to provide increased pay and retirement benefits to members of the U.S. Armed Forces and their families. As one who has long warned that declining defense budgets and increasing commitments were propelling our military towards the infamous ''hollow force'' of the 1970s, I decided last October 7th to join with my friend, Senator PAT ROBERTS, to craft legislation, S. 2563, that would restore military retirement benefits to a full 50 percent of base pay for 20-year retirees in order to encourage highly trained, experienced military personnel to remain in the service. Unfortunately, because of time constraints, Congress did not act on the bill last year.

Since then I have worked closely with Senator ROBERTS and the Republican Leader, Senator LOTT, to draft legislation that address the readiness concerns of the Joint Chiefs of Staff and the Secretary of Defense. This bill is a significant step toward addressing the pressing readiness problems afflicting our Armed Forces. The Joint Chiefs of Staff have repeatedly stated the current retirement and pay gap is their highest priority for solving the retention problem undermining the preparedness of our men and women in uniform.

Specifically, this legislation which is sponsored by Majority Leader LOTT, Senator ROBERTS, myself, the distinguished Chairman of the Armed Services Committee and the other committee Republicans, includes a 4.8% pay raise, effective January 1, 2000, pay table reform, restored military retirement benefits to the pre-1986 level of 50 percent, Thrift Savings Plan proposals, and a Special Subsistence Allowance to help the neediest families in the Armed Forces, many of whom now require federal food stamp assistance.

Mr. President, the Republican Leader has agreed to make this legislation a priority for the 106th Congress and we fully expect to pass this legislative proposal by Memorial Day. If Congress approves this bill by the end of May, then 3,000 military families will be paid enough to get them off food stamps at the beginning of next year. It is unconscionable that the men and women who are willing to sacrifice their lives for their country have to rely on food stamps to make ends meet. The Pentagon estimates that approximately 11,900 military households currently receive food stamps. This bill will help nearly 10,000 of these military families get off of food stamps over the next 5 years by ensuring their income is sufficient to provide for their spouses and children.

Mr. President, it is critical that we address the concerns of the senior military leadership who have cited better military pay and retirement benefits as their highest priority. We failed to do so last year. We must move this bill through Congress quickly this year to slow the exodus of our pilots, military policemen, Naval special operations personnel, surface warfare officers and other critical military specialties that have caused the deterioration in our Armed Forces readiness that we have heard detailed in testimony over the last four months.

By Mr. DEWINE (for himself, Mr. ABRAHAM, Mr. ASHCROFT, Mr. GRASSLEY, Mr. HATCH, Mr. LOTT, Mr. COVERDELL, and Mr. MCCAIN):

S. 5. A bill to reduce the transportation and distribution of illegal drugs and to strengthen domestic demand reduction, and for other purposes; to the Committee on the Judiciary.

DRUG FREE CENTURY ACT

Mr. DEWINE. Mr. President, it is an honor for me, today, to be introducing the Drug Free Century Act. This bill is cosponsored by Senator ABRAHAM, Senator ASHCROFT, Senator COVERDELL, Senator CRAIG, the chairman of the Judiciary Committee, Senator HATCH, and the chairman of the Caucus on International Narcotics Control, Senator GRASSLEY. This legislation is truly a team effort. There are over a dozen Members of the Senate who have worked very extensively on this bill and I appreciate very much their work. This is really a team effort. This bill is a comprehensive approach to our antidrug effort, and it really is a continuation of the great work that was begun by Congress last year.

This legislation represents the continuation of those efforts that we began last year, a continuation of the efforts to reverse the dangerous trend of rising drug use in our country, particularly among our young people. According to data prepared as part of the Monitoring the Future Program funded by the National Institute on Drug Abuse, from 1992 to 1997 we saw an 80-percent increase in cocaine use among high school seniors, and a 100-percent increase in heroin use among high school seniors.

Other very serious trends related to drug use highlight the problems that have increased over the course of the last decade. Drug abuse related arrests for minors doubled between 1992 and 1996. Emergency room admissions related to heroin jumped 58 percent between 1992 and 1995. And, in the first half of 1995, methamphetamine related emergency room admissions were 321 percent higher compared to the first half of 1991.

This increase in drug use and criminal activity virtually wiped out the gains made in the previous decade. Just in the 4 years prior to 1992, the Office of National Drug Control Policy—the drug czar's office—reported a 25-percent reduction in overall drug use by adolescent Americans, and a 35-percent reduction in overall drug use.

Last year, Congressman BILL MCCOLLUM and I and other Members of the Senate and House took a close look at why our increasing investment in antidrug programs was not resulting in a decline in drug use among young people. One immediate problem that we found was a clear decline in resources and manpower devoted to reducing illegal drug imports by our Customs Service, the Coast Guard, and the Defense Department. In other words, our drug interdiction effort had been falling farther and farther behind. It had become less and less a percentage, a smaller percentage of our budget year after year.

As we all know, reducing drug use is a team effort at all levels of government: the Federal Government, the State government, the local government. However, international drug reduction, seizing or disrupting the flow of drugs before these drugs reach our country, is solely our responsibility. It is solely the Federal Government's responsibility. Over a 5-year period beginning in 1993, the Federal Government solely abdicated this responsibility. Fewer and fewer resources and man-hours were devoted to stopping drugs at the source or stopping them in transit. As a result, the volume of drugs coming into our country has never been higher, making illegal drugs too easy to find and too easy to buy.

To reverse this trend and to correct the imbalance, Congressman MCCOLLUM and I last year led a bipartisan, bicameral effort to pass the Western Hemisphere Drug Elimination Act. We passed it and the President signed it. We were joined in this initiative by Congressman and now Speaker DENNY HASTERT, by Senator COVERDELL, Senator GRAHAM of Florida, and many, many others. This new law provides a 3-year, $2.6 billion investment in our drug-fighting capabilities abroad. Through crop eradication and drug interdiction we will reduce the amount of drugs entering our country and, in turn, increase the price of drugs on the streets of America.

An even larger goal of this new law is to restore a balanced antidrug strategy, one that makes a clear commitment to all the elements of our strategy—treatment, education, domestic law enforcement, and drug interdiction. A balanced drug control strategy worked before, and we are ready to make it work again.

The Western Hemisphere Drug Elimination Act that we passed last year was one of several key initiatives passed by the Republican Congress. There is no doubt we are determined to turn the corner on drug use. Congressman ROB PORTMAN of Cincinnati, Senator CHUCK GRASSLEY, myself, and others worked to pass the Drug Free Communities Act, which directs Federal funds to community coalitions that educate children about the dangers of drugs. The 105th Congress also passed the Drug Demand Reduction Act, which will streamline existing Federal education and treatment programs and make these programs more accountable. We also passed the Drug Free Workplace Act, which provides grants to assist nonprofit organizations in promoting drug-free workplaces, and encourages States to adopt cost-effective financial incentives, such as a reduction in worker's compensation premiums for drug-free workplaces.

Today, with the Drug Free Century Act that we are introducing, we will continue to make oversight and reform of our antidrug policies a top priority of this Congress. This bill is the beginning of a critical and comprehensive examination of our entire antidrug strategy. While we devoted most of last year to correcting the resource imbalances that we found in this strategy, we intend to devote the next 2 years to looking at the effectiveness of the very programs themselves. We also need to change current laws to crack down on the elements within the illegal drug industry.

The Drug Free Century Act is the first phase of this effort. It addresses all elements of our antidrug strategy, and it is a comprehensive strategy that we are presenting today—education, treatment, law enforcement, and drug interdiction.

It is my hope that as we examine our drug strategy through meetings and hearings, we will build on the foundation of the legislation that we are introducing this morning.

First, the Drug Free Century Act contains much-needed reforms in our international criminal laws. It would improve extradition procedures for those who flee justice for drug crimes by prohibiting fugitives from benefiting from fugitive status. It would crack down on illegal money-transmitting businesses. It would punish money launderers who conduct their business through foreign banks. And it would enable greater global cooperation in the fight against international crime.

Mr. President, these provisions, advocated by the chairman of our caucus on international narcotics control, Senator GRASSLEY, are designed to disrupt and dismantle the drug lords' criminal infrastructure. And like the Western Hemisphere Drug Elimination Act we passed in the last Congress, these provisions would make the drug business far more costly and far more dangerous.

Our legislation also authorizes additional funding for our eradication and interdiction operations and calls on the administration to meet the funding goals we set last year in the Western Hemisphere Drug Elimination Act. The new interdiction initiatives outlined in this bill are designed to supplement last year's legislation and came about as a direct result of my visits and the visits of other Members of the Senate and the House to the transit zones in the Caribbean, as well as the source countries—Peru and Colombia. These visits reconfirmed, in my mind, what statistics had already told us: Seizing or destroying a ton of cocaine outside our borders is more cost effective than seizing the same quantity at the point of sale. It just makes good common sense.

Our legislation also addresses domestic reduction efforts. It would increase penalties for certain drug offenses committed in the presence of a child. It would call on the Drug Enforcement Administration to develop a plan for the safe and speedy cleanup of methamphetamine laboratories in the

United States. I know this latter issue is of great concern to my colleague from Missouri, Senator ASHCROFT, who was successful last year in increasing penalties for those involved in meth labs here in the United States.

Mr. President, the bill also includes Senator ABRAHAM's legislation to increase mandatory minimum sentencing requirements for powder cocaine offenses.

Our bill sets a foundation for what I hope will be a comprehensive initiative to reduce the demand for drugs, especially among our young people. The bill includes Senator COVERDELL's initiative to protect children and teachers from drug-related school violence and Senator GRASSLEY's legislation to strengthen the parent and family movement to teach children and society about the dangers of drugs.

This bill, frankly, is a first step. I expect we will see other important antidrug bills that we would want to roll into this larger comprehensive bill, and we will do that as the time comes. For example, I am working on legislation to clarify that juvenile facilities should be eligible for jail-based and aftercare drug treatment programs and provide coordinated services for early mental health and substance abuse screening for juveniles. The latter initiative is based on an effort underway in Hamilton County, OH, an initiative and effort I have personally looked at on a number of occasions. In Hamilton County, OH, the courts are working with all the relevant county agencies to offer a coordinated service delivery system for at-risk youth. By bringing these resources together, Mr. President, we can ensure that young people in need of help will get the right kind of assistance.

I believe in a balanced counterdrug strategy. I made it clear in the past Congress that I strongly support our continued commitment in demand reduction and law enforcement programs. We need to invest in all these elements to have success, and that is why we are today introducing this bill—to demonstrate that we intend to find ways to improve all elements of our comprehensive antidrug strategy.

Combined with the efforts begun last year, the Drug Free Century Act represents a turning point in a decade of increased youth delinquency and drug use. With this legislation, we are sending a clear signal that we intend to change course and begin the next decade and, yes, the next century, on the road to eliminating the scourge of illegal drugs in this country.

Mr. President, I ask unanimous consent that the text of the Drug Free Century Act be printed in the RECORD.

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

S. 5

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 ''Drug-Free Century Act''.

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

Sec. 1. Short title; table of contents.

TITLE I—INTERNATIONAL SUPPLY REDUCTION

Subtitle A—International Crime

CHAPTER 1—INTERNATIONAL CRIME CONTROL

Sec. 1001. Short title.
Sec. 1002. Felony punishment for violence committed along the United States border.

CHAPTER 2—STRENGTHENING MARITIME LAW ENFORCEMENT ALONG UNITED STATES BORDERS

Sec. 1003. Sanctions for failure to heave to, obstructing a lawful boarding, and providing false information.
Sec. 1004. Civil penalties to support maritime law enforcement.
Sec. 1005. Customs orders.

CHAPTER 3—SMUGGLING OF CONTRABAND AND OTHER ILLEGAL PRODUCTS

Sec. 1006. Smuggling contraband and other goods from the United States.
Sec. 1007. Customs duties.
Sec. 1008. False certifications relating to exports.

CHAPTER 4—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

Sec. 1009. Extradition for offenses not covered by a list treaty.
Sec. 1010. Extradition absent a treaty.
Sec. 1011. Technical and conforming amendments.
Sec. 1012. Temporary transfer of persons in custody for prosecution.
Sec. 1013. Prohibiting fugitives from benefiting from fugitive status.
Sec. 1014. Transfer of foreign prisoners to serve sentences in country of origin.
Sec. 1015. Transit of fugitives for prosecution in foreign countries.

CHAPTER 5—SEIZING AND FORFEITING ASSETS OF INTERNATIONAL CRIMINALS

Sec. 1016. Criminal penalties for violations of anti-money laundering orders.
Sec. 1017. Cracking down on illegal money transmitting businesses.
Sec. 1018. Expanding civil money laundering laws to reach foreign persons.
Sec. 1019. Punishment of money laundering through foreign banks.
Sec. 1020. Authority to order convicted criminals to return property located abroad.
Sec. 1021. Administrative summons authority under the Bank Secrecy Act.
Sec. 1022. Exempting financial enforcement data from unnecessary disclosure.
Sec. 1023. Criminal and civil penalties under the International Emergency Economic Powers Act.
Sec. 1024. Attempted violations of the Trading With the Enemy Act.
Sec. 1025. Jurisdiction over certain financial crimes committed abroad.

CHAPTER 6—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

Sec. 1026. Streamlined procedures for execution of MLAT requests.
Sec. 1027. Temporary transfer of incarcerated witnesses.
Sec. 1028. Training of foreign law enforcement agencies.
Sec. 1029. Discretionary authority to use forfeiture proceeds.

Subtitle B—International Drug Control

Sec. 1201. Annual country plans for drug-transit and drug producing countries.
Sec. 1202. Prohibition on use of funds for counternarcotics activities and assistance.
Sec. 1203. Sense of Congress regarding Colombia.
Sec. 1204. Sense of Congress regarding Mexico.
Sec. 1205. Sense of Congress regarding Iran.
Sec. 1206. Sense of Congress regarding Syria.
Sec. 1207. Brazil.
Sec. 1208. Jamaica.
Sec. 1209. Sense of Congress regarding North Korea.

Subtitle C—Foreign Military Counter-Drug Support

Sec. 1301. Report.

Subtitle D—Money Laundering Deterrence

Sec. 1401. Short title.
Sec. 1402. Findings and purposes.
Sec. 1403. Reporting of suspicious activities.
Sec. 1404. Expansion of scope of summons power.
Sec. 1405. Penalties for violations of geographic targeting orders and certain recordkeeping requirements.
Sec. 1406. Repeal of certain reporting requirements.
Sec. 1407. Limited exemption from Paperwork Reduction Act.
Sec. 1408. Sense of Congress.

Subtitle E—Additional Funding For Source and Interdiction Zone Countries

Sec. 1501. Source zone countries.
Sec. 1502. Central America.

TITLE II—DOMESTIC LAW ENFORCEMENT

Subtitle A—Criminal Offenders

Sec. 2001. Apprehension and procedural treatment of armed violent criminals.
Sec. 2002. Criminal attempt.
Sec. 2003. Drug offenses committed in the presence of children.
Sec. 2004. Sense of Congress on border defense.
Sec. 2005. Clone pagers.

Subtitle B—Methamphetamine Laboratory Cleanup

Sec. 2101. Sense of Congress regarding methamphetamine laboratory cleanup.

Subtitle C—Powder Cocaine Mandatory Minimum Sentencing

Sec. 2201. Sentencing for violations involving cocaine powder.

Subtitle D—Drug-Free Borders

Sec. 2301. Increased penalty for false statement offense.
Sec. 2302. Increased number of border patrol agents.
Sec. 2303. Enhanced border patrol pursuit policy.

TITLE III—DOMESTIC DEMAND REDUCTION

Subtitle A—Education, Prevention, and Treatment

Sec. 3001. Sense of Congress on reauthorization of Safe and Drug-Free Schools and Communities Act of 1994.

Sec. 3002. Sense of Congress regarding reauthorization of prevention and treatment programs.
Sec. 3003. Report on drug-testing technologies.
Sec. 3004. Use of National Institutes of Health substance abuse research.
Sec. 3005. Needle exchange.
Sec. 3006. Drug-free teen drivers incentive.
Sec. 3007. Drug-free schools.
Sec. 3008. Victim and witness assistance programs for teachers and students.
Sec. 3009. Innovative programs to protect teachers and students.
Subtitle B—Drug-Free Families
Sec. 3101. Short title.
Sec. 3102. Findings.
Sec. 3103. Purposes.
Sec. 3104. Definitions.
Sec. 3105. Establishment of drug-free families support program.
Sec. 3106. Authorization of appropriations.
TITLE IV—FUNDING FOR UNITED STATES COUNTER-DRUG ENFORCEMENT AGENCIES
Sec. 4001. Authorization of appropriations.
Sec. 4002. Cargo inspection and narcotics detection equipment.
Sec. 4003. Peak hours and investigative resource enhancement.
Sec. 4004. Air and marine operation and maintenance funding.
Sec. 4005. Compliance with performance plan requirements.
Sec. 4006. Commissioner of Customs salary.
Sec. 4007. Passenger preclearance services.
Subtitle B—United States Coast Guard
Sec. 4101. Additional funding for operation and maintenance.
Subtitle C—Drug Enforcement Administration
Sec. 4201. Additional funding for counternarcotics and information support operations.
Subtitle D—Department of the Treasury
Sec. 4301. Additional funding for counterdrug information support.
Subtitle E—Department of Defense
Sec. 4401. Additional funding for expansion of counternarcotics activities.
Sec. 4402. Forward military base for counternarcotics matters.
Sec. 4403. Expansion of radar coverage and operation in source and transit countries.
Sec. 4404. Sense of Congress regarding funding under Western Hemisphere Drug Elimination Act.
Sec. 4405. Sense of Congress regarding the priority of the drug interdiction and counterdrug activities of the Department of Defense.

TITLE I—INTERNATIONAL SUPPLY REDUCTION

Subtitle A—International Crime

CHAPTER 1—INTERNATIONAL CRIME CONTROL

SEC. 1001. SHORT TITLE.

This chapter may be cited as the ''International Crime Control Act of 1999''.

SEC. 1002. FELONY PUNISHMENT FOR VIOLENCE COMMITTED ALONG THE UNITED STATES BORDER.

(a) IN GENERAL.—Chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''§ 554. Violence while eluding inspection or during violation of arrival, reporting, entry, or clearance requirements

''(a) IN GENERAL.—Whoever attempts to commit or commits a crime of violence or recklessly operates any conveyance during and in relation to—

''(1)(A) attempting to elude or eluding immigration, customs, or agriculture inspection; or

''(B) failing to stop at the command of an officer or employee of the United States charged with enforcing the immigration, customs, or other laws of the United States along any border of the United States; or

''(2) an intentional violation of arrival, reporting, entry, or clearance requirements, as set forth in section 107 of the Federal Plant Pest Act (7 U.S.C. 150ff), section 10 of the Act of August 20, 1912 (commonly known as the 'Plant Quarantine Act' (7 U.S.C. 164a)), section 7 of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2807), section 431, 433, 434, or 459 of the Tariff Act of 1930 (19 U.S.C. 1431, 1433, 1434, and 1459), section 10 of the Act of August 30, 1890 (26 Stat. 417; chapter 839 (21 U.S.C. 105), section 2 of the Act of February 2, 1903 (32 Stat. 792; chapter 349; 21 U.S.C. 111), section 4197 of the Revised Statutes (46 U.S.C. App. 91), or sections 231, 232, and 234 through 238 of the Immigration and Nationality Act (8 U.S.C. 1221, 1222, and 1224 through 1228) shall be—

''(A) fined under this title, imprisoned not more than 5 years, or both;

''(B) if bodily injury (as defined in section 1365(g)) results, fined under this title, imprisoned not more than 10 years, or both; or

''(C) if death results, fined under this title, imprisoned for any term of years or for life, or both, and may be sentenced to death.

''(b) CONSPIRACY.—If 2 or more persons conspire to commit an offense under subsection (a), and 1 or more of those persons do any act to effect the object of the conspiracy, each shall be punishable as a principal, except that a sentence of death may not be imposed.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''554. Violence while eluding inspection or during violation of arrival, reporting, entry, or clearance requirements.''.

(c) RECKLESS ENDANGERMENT.—Section 111 of title 18, United States Code, is amended—

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

(2) by inserting after subsection (a) the following:

''(b) RECKLESS ENDANGERMENT.—Whoever—

''(1) knowingly disregards or disobeys the lawful authority or command of any officer or employee of the United States charged with enforcing the immigration, customs, or other laws of the United States along any border of the United States while engaged in, or on account of, the performance of official duties of that officer or employee; and

''(2) as a result of disregarding or disobeying an authority or command referred to in paragraph (1), endangers the safety of any person or property,

shall be fined under this title, imprisoned not more than 6 months, or both.''.

CHAPTER 2—STRENGTHENING MARITIME LAW ENFORCEMENT ALONG UNITED STATES BORDERS

SEC. 1003. SANCTIONS FOR FAILURE TO HEAVE TO, OBSTRUCTING A LAWFUL BOARDING, AND PROVIDING FALSE INFORMATION.

(a) IN GENERAL.—Chapter 109 of title 18, United States Code, is amended by adding at the end the following:

''§ 2237. Sanctions for failure to heave to; sanctions for obstruction of boarding or providing false information

''(a) DEFINITIONS.—In this section:

''(1) FEDERAL LAW ENFORCEMENT OFFICER.—The term 'Federal law enforcement officer' has the meaning given that term in section 115(c).

''(2) HEAVE TO.—The term 'heave to' means, with respect to a vessel, to cause that vessel to slow or come to a stop to facilitate a law enforcement boarding by adjusting the course and speed of the vessel to account for the weather conditions and the sea state.

''(3) VESSEL OF THE UNITED STATES; VESSEL SUBJECT TO THE JURISDICTION OF THE UNITED STATES.—The terms 'vessel of the United States' and 'vessel subject to the jurisdiction of the United States' have the meanings given those terms in section 3 of the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1903).

''(b) FAILURE TO OBEY AN ORDER TO HEAVE TO.—

''(1) IN GENERAL.—It shall be unlawful for the master, operator, or person in charge of a vessel of the United States or a vessel subject to the jurisdiction of the United States, to fail to obey an order to heave to that vessel on being ordered to do so by an authorized Federal law enforcement officer.

''(2) IMPEDING BOARDING; PROVIDING FALSE INFORMATION IN CONNECTION WITH A BOARDING.—It shall be unlawful for any person on board a vessel of the United States or a vessel subject to the jurisdiction of the United States knowingly or willfully to—

''(A) fail to comply with an order of an authorized Federal law enforcement officer in connection with the boarding of the vessel;

''(B) impede or obstruct a boarding or arrest, or other law enforcement action authorized by any Federal law; or

''(C) provide false information to a Federal law enforcement officer during a boarding of a vessel regarding the destination, origin, ownership, registration, nationality, cargo, or crew of the vessel.

''(c) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to limit the authority granted before the date of enactment of the International Crime Control Act of 1999 to—

''(1) a customs officer under section 581 of the Tariff Act of 1930 (19 U.S.C. 1581) or any other provision of law enforced or administered by the United States Customs Service; or

''(2) any Federal law enforcement officer under any Federal law to order a vessel to heave to.

''(d) CONSENT OR WAIVER OF OBJECTION BY A FOREIGN COUNTRY.—

''(1) IN GENERAL.—A foreign country may consent to or waive objection to the enforcement of United States law by the United States under this section by international agreement or, on a case-by-case basis, by radio, telephone, or similar oral or electronic means.

''(2) PROOF OF CONSENT OR WAIVER.—The Secretary of State or a designee of the Secretary of State may prove a consent or waiver described in paragraph (1) by certification.

''(e) PENALTIES.—Any person who intentionally violates any provision of this section shall be fined under this title, imprisoned not more than 5 years, or both.

''(f) SEIZURE OF VESSELS.—

''(1) IN GENERAL.—A vessel that is used in violation of this section may be seized and forfeited.

''(2) APPLICABILITY OF LAWS.—

''(A) IN GENERAL.—Subject to subparagraph (C), the laws described in subparagraph (B)

shall apply to seizures and forfeitures undertaken, or alleged to have been undertaken, under any provision of this section.

''(B) LAWS DESCRIBED.—The laws described in this subparagraph are the laws relating to the seizure, summary, judicial forfeiture, and condemnation of property for violation of the customs laws, the disposition of the property or the proceeds from the sale thereof, the remission or mitigation of the forfeitures, and the compromise of claims.

''(C) EXECUTION OF DUTIES BY OFFICERS AND AGENTS.—Any duty that is imposed upon a customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to a seizure or forfeiture of property under this section by the officer, agent, or other person that is authorized or designated for that purpose.

''(3) IN REM LIABILITY.—A vessel that is used in violation of this section shall, in addition to any other liability prescribed under this subsection, be liable in rem for any fine or civil penalty imposed under this section.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 109 of title 18, United States Code, is amended by adding at the end the following:

''2237. Sanctions for failure to heave to; sanctions for obstruction of boarding or providing false information.''.

SEC. 1004. CIVIL PENALTIES TO SUPPORT MARITIME LAW ENFORCEMENT.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

''§ 675. Civil penalty for failure to comply with a lawful boarding, obstruction of boarding, or providing false information

''(a) IN GENERAL.—Any person who violates section 2237(b) of title 18 shall be liable for a civil penalty of not more than $25,000.

''(b) IN REM LIABILITY.—In addition to being subject to the liability under subsection (a), a vessel used to violate an order relating to the boarding of a vessel issued under the authority of section 2237 of title 18 shall be liable in rem and may be seized, forfeited, and sold in accordance with section 594 of the Tariff Act of 1930 (19 U.S.C. 1594).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, is amended by adding at the end the following:

''675. Civil penalty for failure to comply with a lawful boarding, obstruction of boarding, or providing false information.''.

SEC. 1005. CUSTOMS ORDERS.

Section 581 of the Tariff Act of 1930 (19 U.S.C. 1581) is amended by adding at the end the following:

''(i) AUTHORIZED PLACE DEFINED.—In this section, the term 'authorized place' includes, with respect to a vessel or vehicle, a location in a foreign country at which United States customs officers are permitted to conduct inspections, examinations, or searches.''.

CHAPTER 3—SMUGGLING OF CONTRABAND AND OTHER ILLEGAL PRODUCTS

SEC. 1006. SMUGGLING CONTRABAND AND OTHER GOODS FROM THE UNITED STATES.

(a) IN GENERAL.—

(1) SMUGGLING GOODS FROM THE UNITED STATES.—Chapter 27 of title 18, United States Code, as amended by section 1002(a) of this title, is amended by adding at the end the following:

''§ 555. Smuggling goods from the United States

''(a) UNITED STATES DEFINED.—In this section, the term 'United States' has the meaning given that term in section 545.

''(b) PENALTIES.—Whoever—

''(1) fraudulently or knowingly exports or sends from the United States, or attempts to export or send from the United States, any merchandise, article, or object contrary to any law of the United States (including any regulation of the United States); or

''(2) receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of that merchandise, article, or object, prior to exportation, knowing that merchandise, article, or object to be intended for exportation contrary to any law of the United States,

shall be fined under this title, imprisoned not more than 5 years, or both.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''555. Smuggling goods from the United States.''.

(b) LAUNDERING OF MONETARY INSTRUMENTS.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting ''section 555 (relating to smuggling goods from the United States),'' before ''section 641 (relating to public money, property, or records),''.

(c) MERCHANDISE EXPORTED FROM UNITED STATES.—Section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a) is amended by adding at the end the following:

''(d) MERCHANDISE EXPORTED FROM THE UNITED STATES.—Merchandise exported or sent from the United States or attempted to be exported or sent from the United States contrary to law, or the value thereof, and property used to facilitate the receipt, purchase, transportation, concealment, or sale of that merchandise prior to exportation shall be forfeited to the United States.''.

SEC. 1007. CUSTOMS DUTIES.

(a) IN GENERAL.—Section 542 of title 18, United States Code, is amended—

(1) in the section heading, by adding ''**theft, embezzlement, or misapplication of duties**'' at the end;

(2) by redesignating the fourth and fifth undesignated paragraphs as subsections (b) and (c), respectively;

(3) in the third undesignated paragraph—

(A) by striking ''Shall be fined'' and inserting the following:

''shall be fined''; and

(B) by striking ''two years'' and inserting ''5 years'';

(4) in the second undesignated paragraph—

(A) by striking ''Whoever is guilty'' and inserting the following:

''(2) is guilty''; and

(B) by striking ''act or omission—'' and inserting ''act or omission; or'';

(5) in the first undesignated paragraph, by striking ''Whoever knowingly effects'' and inserting the following:

''(a) Whoever—

''(1) knowingly effects''; and

(6) in subsection (a) (as so designated by paragraph (5) of this subsection) by inserting after paragraph (2) (as so designated by paragraph (4) of this subsection) the following:

''(3) embezzles, steals, abstracts, purloins, willfully misapplies, willfully permits to be misapplied, or wrongfully converts to his own use, or to the use of another, moneys, funds, credits, assets, securities or other property entrusted to his or her custody or care, or to the custody or care of another for the purpose of paying any lawful duties;''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by striking the item relating to section 542 and inserting the following:

''542. Entry of goods by means of false statements, theft, embezzlement, or misapplication of duties.''.

SEC. 1008. FALSE CERTIFICATIONS RELATING TO EXPORTS.

(a) IN GENERAL.—Chapter 27 of title 18, United States Code, as amended by section 1006(a) of this title, is amended by adding at the end the following:

''§ 556. False certifications relating to exports

''Whoever knowingly transmits in interstate or foreign commerce any false or fraudulent certificate of origin, invoice, declaration, affidavit, letter, paper, or statement (whether written or otherwise), that represents explicitly or implicitly that goods, wares, or merchandise to be exported qualify for purposes of any international trade agreement to which the United States is a signatory shall be fined under this title, imprisoned not more than 5 years, or both.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''556. False certifications relating to exports.''.

CHAPTER 4—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

SEC. 1009. EXTRADITION FOR OFFENSES NOT COVERED BY A LIST TREATY.

Chapter 209 of title 18, United States Code, is amended by adding at the end the following:

''§ 3197. Extradition for offenses not covered by a list treaty

''(a) SERIOUS OFFENSE DEFINED.—In this section, the term 'serious offense' means conduct that would be—

''(1) an offense described in any multilateral treaty to which the United States is a party that obligates parties—

''(A) to extradite alleged offenders found in the territory of the parties; or

''(B) submit the case to the competent authorities of the parties for prosecution; or

''(2) conduct that, if that conduct occurred in the United States, would constitute—

''(A) a crime of violence (as defined in section 16);

''(B) the distribution, manufacture, importation or exportation of a controlled substance (as defined in section 201 of the Controlled Substances Act (21 U.S.C. 802));

''(C) bribery of a public official; misappropriation, embezzlement or theft of public funds by or for the benefit of a public official;

''(D) obstruction of justice, including payment of bribes to jurors or witnesses;

''(E) the laundering of monetary instruments, as described in section 1956, if the value of the monetary instruments involved exceeds $100,000;

''(F) fraud, theft, embezzlement, or commercial bribery if the aggregate value of property that is the object of all of the offenses related to the conduct exceeds $100,000;

''(G) counterfeiting, if the obligations, securities or other items counterfeited, have an apparent value that exceeds $100,000;

''(H) a conspiracy or attempt to commit any of the offenses described in any of subparagraphs (A) through (G), or aiding and

abetting a person who commits any such offense; or

''(I) a crime against children under chapter 109A or section 2251, 2251A, 2252, or 2252A.

''(b) AUTHORIZATION OF FILING.—

''(1) IN GENERAL.—If a foreign government makes a request for the extradition of a person who is charged with or has been convicted of an offense within the jurisdiction of that foreign government, and an extradition treaty between the United States and the foreign government is in force, but the treaty does not provide for extradition for the offense with which the person has been charged or for which the person has been convicted, the Attorney General may authorize the filing of a complaint for extradition pursuant to subsections (c) and (d).

''(2) FILING OF COMPLAINTS.—

''(A) IN GENERAL.—A complaint authorized under paragraph (1) shall be filed pursuant to section 3184.

''(B) PROCEDURES.—With respect to a complaint filed under paragraph (1), the procedures contained in sections 3184 and 3186 and the terms of the relevant extradition treaty shall apply as if the offense were a crime provided for by the treaty, in a manner consistent with section 3184.

''(c) CRITERIA FOR AUTHORIZATION OF COMPLAINTS.—

''(1) IN GENERAL.—The Attorney General may authorize the filing of a complaint under subsection (b) only upon a certification—

''(A) by the Attorney General, that in the judgment of the Attorney General—

''(i) the offense for which extradition is sought is a serious offense; and

''(ii) submission of the extradition request would be important to the law enforcement interests of the United States or otherwise in the interests of justice; and

''(B) by the Secretary of State, that in the judgment of the Secretary of State, submission of the request would be consistent with the foreign policy interests of the United States.

''(2) FACTORS FOR CONSIDERATION.—In making any certification under paragraph (1)(B), the Secretary of State may consider whether the facts and circumstances of the request then known appear likely to present any significant impediment to the ultimate surrender of the person who is the subject of the request for extradition, if that person is found to be extraditable.

''(d) CASES OF URGENCY.—

''(1) IN GENERAL.—In any case of urgency, the Attorney General may, with the concurrence of the Secretary of State and before any formal certification under subsection (c), authorize the filing of a complaint seeking the provisional arrest and detention of the person sought for extradition before the receipt of documents or other proof in support of the request for extradition.

''(2) APPLICABILITY OF RELEVANT TREATY.—With respect to a case described in paragraph (1), a provision regarding provisional arrest in the relevant treaty shall apply.

''(3) FILING AND EFFECT OF FILING OF COMPLAINTS.—

''(A) IN GENERAL.—A complaint authorized under this subsection shall be filed in the same manner as provided in section 3184.

''(B) ISSUANCE OF ORDERS.—Upon the filing of a complaint under this subsection, the appropriate judicial officer may issue an order for the provisional arrest and detention of the person as provided in section 3184.

''(e) CONDITIONS OF SURRENDER; ASSURANCES.—

''(1) IN GENERAL.—Before issuing a warrant of surrender under section 3184 or 3186, the Secretary of State may—

''(A) impose conditions upon the surrender of the person that is the subject of the warrant; and

''(B) require those assurances of compliance with those conditions, as are determined by the Secretary to be appropriate.

''(2) ADDITIONAL ASSURANCES.—

''(A) IN GENERAL.—In addition to imposing conditions and requiring assurances under paragraph (1), the Secretary of State shall demand, as a condition of the extradition of the person in every case, an assurance described in subparagraph (B) that the Secretary determines to be satisfactory.

''(B) DESCRIPTION OF ASSURANCES.—An assurance described in this subparagraph is an assurance that the person that is sought for extradition shall not be tried or punished for an offense other than that for which the person has been extradited, absent the consent of the United States.''.

SEC. 1010. EXTRADITION ABSENT A TREATY.

Chapter 209 of title 18, United States Code, as amended by section 1009 of this title, is amended by adding at the end the following:

''§ 3198. Extradition absent a treaty

''(a) SERIOUS OFFENSE DEFINED.—In this section, the term 'serious offense' has the meaning given that term in section 3197(a).

''(b) AUTHORIZATION OF FILING.—

''(1) IN GENERAL.—If a foreign government makes a request for the extradition of a person who is charged with or has been convicted of an offense within the jurisdiction of that foreign government, and no extradition treaty is in force between the United States and the foreign government, the Attorney General may authorize the filing of a complaint for extradition pursuant to subsections (c) and (d).

''(2) FILING AND TREATMENT OF COMPLAINTS.—

''(A) IN GENERAL.—A complaint authorized under paragraph (1) shall be filed pursuant to section 3184.

''(B) PROCEDURES.—With respect to a complaint filed under paragraph (1), procedures of sections 3184 and 3186 shall be followed as if the offense were a 'crime provided for by such treaty' as described in section 3184.

''(c) CRITERIA FOR AUTHORIZATION OF COMPLAINTS.—The Attorney General may authorize the filing of a complaint described in subsection (b) only upon a certification—

''(1) by the Attorney General, that in the judgment of the Attorney General—

''(A) the offense for which extradition is sought is a serious offense; and

''(B) submission of the extradition request would be important to the law enforcement interests of the United States or otherwise in the interests of justice; and

''(2) by the Secretary of State, that in the judgment of the certifying official, based on information then known—

''(A) submission of the request would be consistent with the foreign policy interests of the United States;

''(B) the facts and circumstances of the request, including humanitarian considerations, do not appear likely to present a significant impediment to the ultimate surrender of the person if found extraditable; and

''(C) the foreign government submitting the request is not submitting the request in order to try or punish the person sought for extradition primarily on the basis of the race, religion, nationality, or political opinions of that person.

''(d) LIMITATIONS ON DELEGATION.—

''(1) DELEGATION BY ATTORNEY GENERAL.—The authorities and responsibilities of the Attorney General under subsection (c) may be delegated only to the Deputy Attorney General.

''(2) DELEGATION.—The authorities and responsibilities of the Secretary of State set forth in this subsection may be delegated only to the Deputy Secretary of State.

''(e) CASES OF URGENCY.—

''(1) IN GENERAL.—In any case of urgency, the Attorney General may, with the concurrence of the Secretary of State and before any formal certification under subsection (c), authorize the filing of a complaint seeking the provisional arrest and detention of the person sought for extradition before the receipt of documents or other proof in support of the request for extradition.

''(2) FILING OF COMPLAINTS; ORDER BY JUDICIAL OFFICER.—

''(A) FILING.—A complaint filed under this subsection shall be filed in the same manner as provided in section 3184.

''(B) ORDERS.—Upon the filing of a complaint under subparagraph (A), the appropriate judicial officer may issue an order for the provisional arrest and detention of the person.

''(C) RELEASES.—If, not later than 45 days after the arrest, the formal request for extradition and documents in support of that are not received by the Department of State, the appropriate judicial officer may order that a person detained pursuant to this subsection be released from custody.

''(f) HEARINGS.—

''(1) IN GENERAL.—Subject to subsection (h), upon the filing of a complaint for extradition and receipt of documents or other proof in support of the request of a foreign government for extradition, the appropriate judicial officer shall hold a hearing to determine whether the person sought for extradition is extraditable.

''(2) CRITERIA FOR EXTRADITION.—Subject to subsection (g) in a hearing conducted under paragraph (1), the judicial officer shall find a person extraditable if the officer finds—

''(A) probable cause to believe that the person before the judicial officer is the person sought in the foreign country of the requesting foreign government;

''(B) probable cause to believe that the person before the judicial officer committed the offense for which that person is sought, or was duly convicted of that offense in the foreign country of the requesting foreign government;

''(C) that the conduct upon which the request for extradition is based, if that conduct occurred within the United States, would be a serious offense punishable by imprisonment for more than 10 years under the laws of—

''(i) the United States;

''(ii) the majority of the States in the United States; or

''(iii) of the State in which the fugitive is found; and

''(D) no defense to extradition under subsection (f) has been established.

''(g) LIMITATION OF EXTRADITION.—

''(1) IN GENERAL.—A judicial officer shall not find a person extraditable under this section if the person has established that the offense for which extradition is sought is—

''(A) an offense for which the person is being proceeded against, or has been tried or punished, in the United States; or

''(B) a political offense.

''(2) POLITICAL OFFENSES.—For purposes of this section, a political offense does not include—

''(A) a murder or other violent crime against the person of a head of state of a foreign state, or of a member of the family of the head of state;

''(B) an offense for which both the United States and the requesting foreign government have the obligation pursuant to a multilateral international agreement to—

''(i) extradite the person sought; or

''(ii) submit the case to the competent authorities for decision as to prosecution; or

''(C) a conspiracy or attempt to commit any of the offenses referred to in subparagraph (A) or (B), or aiding or abetting a person who commits or attempts to commit any such offenses.

''(h) LIMITATIONS ON FACTORS FOR CONSIDERATION AT HEARINGS.—

''(1) IN GENERAL.—At a hearing conducted under subsection (a), the judicial officer conducting the hearing shall not consider issues regarding—

''(A) humanitarian concerns;

''(B) the nature of the judicial system of the requesting foreign government; and

''(C) whether the foreign government is seeking extradition of a person for the purpose of prosecuting or punishing the person because of the race, religion, nationality or political opinions of that person.

''(2) CONSIDERATION BY SECRETARY OF STATE.—The issues referred to in paragraph (1) shall be reserved for consideration exclusively by the Secretary of State as described in subsection (c)(2).

''(3) ADDITIONAL CONSIDERATION.—Notwithstanding the certification requirements described in subsection (c)(2), the Secretary of State may, within the sole discretion of the Secretary—

''(A) in addition to considering the issues referred to in paragraph (1) for purposes of certifying the filing of a complaint under this section, consider those issues again in exercising authority to surrender the person sought for extradition in carrying out the procedures under section 3184 and 3186; and

''(B) impose conditions on surrender including those provided in subsection (i).

''(i) CONDITIONS OF SURRENDER; ASSURANCES.—

''(1) IN GENERAL.—The Secretary of State may—

''(A) impose conditions upon the surrender of a person sought for extradition under this section; and

''(B) require such assurances of compliance with those conditions, as the Secretary determines to be appropriate.

''(2) ADDITIONAL ASSURANCES.—In addition to imposing conditions and requiring assurances under paragraph (1), the Secretary shall demand, as a condition of the extradition of the person that is sought for extradition—

''(A) in every case, an assurance the Secretary determines to be satisfactory that the person shall not be tried or punished for an offense other than the offense for which the person has been extradited, absent the consent of the United States; and

''(B) in a case in which the offense for which extradition is sought is punishable by death in the foreign country of the requesting foreign government and is not so punishable under the applicable laws in the United States, an assurance the Secretary determines to be satisfactory that the death penalty—

''(i) shall not be imposed; or

''(ii) if imposed, shall not be carried out.''.

SEC. 1011. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—Chapter 309 of title 18, United States Code, is amended—

(1) in section 3181, by inserting '', other than sections 3197 and 3198,'' after ''The provisions of this chapter'' each place that term appears; and

(2) in section 3186, by striking ''or 3185'' and inserting '', 3185, 3197 or 3198''.

(b) CHAPTER ANALYSIS.—The analysis for chapter 209 of title 18, United States Code, is amended by adding at the end the following:

''3197. Extradition for offenses not covered by a list treaty.

''3198. Extradition absent a treaty.''.

SEC. 1012. TEMPORARY TRANSFER OF PERSONS IN CUSTODY FOR PROSECUTION.

(a) IN GENERAL.—Chapter 306 of title 18, United States Code, is amended by adding at the end the following:

''§ 4116. Temporary transfer for prosecution

''(a) STATE DEFINED.—In this section, the term 'State' includes a State of the United States, the District of Columbia, and a commonwealth, territory, or possession of the United States.

''(b) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO TEMPORARY TRANSFERS.—

''(1) IN GENERAL.—Subject to subsection (d), if a person is in pretrial detention or is otherwise being held in custody in a foreign country based upon a violation of the law in that foreign country, and that person is found extraditable to the United States by the competent authorities of that foreign country while still in the pretrial detention or custody, the Attorney General shall have the authority—

''(A) to request the temporary transfer of that person to the United States in order to face prosecution in a Federal or State criminal proceeding;

''(B) to maintain the custody of that person while the person is in the United States; and

''(C) to return that person to the foreign country at the conclusion of the criminal prosecution, including any imposition of sentence.

''(2) REQUIREMENTS FOR REQUESTS BY ATTORNEY GENERAL.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of that person to the foreign country in question would be consistent with international obligations of the United States.

''(c) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO PRETRIAL DETENTIONS.—

''(1) IN GENERAL.—

''(A) AUTHORITY OF ATTORNEY GENERAL.—Subject to paragraph (2) and subsection (d), the Attorney General shall have the authority to carry out the actions described in subparagraph (B), if—

''(i) a person is in pretrial detention or is otherwise being held in custody in the United States based upon a violation of Federal or State law, and that person is found extraditable to a foreign country while still in the pretrial detention or custody pursuant to section 3184, 3197, or 3198; and

''(ii) a determination is made by the Secretary of State and the Attorney General that the person will be surrendered.

''(B) ACTIONS.—If the conditions described in subparagraph (A) are met, the Attorney General shall have the authority to—

''(i) temporarily transfer the person described in subparagraph (A) to the foreign country of the foreign government requesting the extradition of that person in order to face prosecution;

''(ii) transport that person from the United States in custody; and

''(iii) return that person in custody to the United States from the foreign country.

''(2) CONSENT BY STATE AUTHORITIES.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in paragraph (1) if the appropriate State authorities give their consent to the Attorney General.

''(3) CRITERION FOR REQUEST.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of the person sought for extradition to the foreign country of the foreign government requesting the extradition would be consistent with United States international obligations.

''(4) EFFECT OF TEMPORARY TRANSFER.—With regard to any person in pretrial detention—

''(A) a temporary transfer under this subsection shall result in an interruption in the pretrial detention status of that person; and

''(B) the right to challenge the conditions of confinement pursuant to section 3142(f) does not extend to the right to challenge the conditions of confinement in a foreign country while in that foreign country temporarily under this subsection.

''(d) CONSENT BY PARTIES TO WAIVE PRIOR FINDING OF WHETHER A PERSON IS EXTRADITABLE.—The Attorney General may exercise the authority described in subsections (b) and (c) absent a prior finding that the person in custody is extraditable, if the person, any appropriate State authorities in a case under subsection (c), and the requesting foreign government give their consent to waive that requirement.

''(e) RETURN OF PERSONS.—

''(1) IN GENERAL.—If the temporary transfer to or from the United States of a person in custody for the purpose of prosecution is provided for by this section, that person shall be returned to the United States or to the foreign country from which the person is transferred on completion of the proceedings upon which the transfer was based.

''(2) STATUTORY INTERPRETATION WITH RESPECT TO IMMIGRATION LAWS.—In no event shall the return of a person under paragraph (1) require extradition proceedings or proceedings under the immigration laws.

''(3) CERTAIN RIGHTS AND REMEDIES BARRED.—Notwithstanding any other provision of law, a person temporarily transferred to the United States pursuant to this section shall not be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including the right to apply for or be granted asylum or withholding of deportation.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 306 of title 18, United States Code, is amended by adding at the end the following:

''4116. Temporary transfer for prosecution.''.

SEC. 1013. PROHIBITING FUGITIVES FROM BENEFITING FROM FUGITIVE STATUS.

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''§ 2466. Fugitive disentitlement

''A person may not use the resources of the courts of the United States in furtherance of a claim in any related civil forfeiture action or a claim in third party proceedings in any related criminal forfeiture action if that person—

''(1) purposely leaves the jurisdiction of the United States;

''(2) declines to enter or reenter the United States to submit to its jurisdiction; or

''(3) otherwise evades the jurisdiction of the court in which a criminal case is pending against the person.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''2466. Fugitive disentitlement.''.

SEC. 1014. TRANSFER OF FOREIGN PRISONERS TO SERVE SENTENCES IN COUNTRY OF ORIGIN.

Section 4100(b) of title 18, United States Code, is amended in the third sentence by inserting '', unless otherwise provided by treaty,'' before ''an offender''.

SEC. 1015. TRANSIT OF FUGITIVES FOR PROSECUTION IN FOREIGN COUNTRIES.

(a) IN GENERAL.—Chapter 305 of title 18, United States Code, is amended by adding at the end the following:

''§ 4087. Transit through the United States of persons wanted in a foreign country

''(a) IN GENERAL.—The Attorney General may, in consultation with the Secretary of State, permit the temporary transit through the United States of a person wanted for prosecution or imposition of sentence in a foreign country.

''(b) LIMITATION ON JUDICIAL REVIEW.—A determination by the Attorney General to permit or not to permit a temporary transit described in subsection (a) shall not be subject to judicial review.

''(c) CUSTODY.—If the Attorney General permits a temporary transit under subsection (a), Federal law enforcement personnel may hold the person subject to that transit in custody during the transit of the person through the United States.

''(d) CONDITIONS APPLICABLE TO PERSONS SUBJECT TO TEMPORARY TRANSIT.—Notwithstanding any other provision of law, a person who is subject to a temporary transit through the United States under this section shall—

''(1) be required to have only such documents as the Attorney General shall require;

''(2) not be considered to be admitted or paroled into the United States; and

''(3) not be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including the right to apply for or be granted asylum or withholding of deportation.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 305 of title 18, United States Code, is amended by adding at the end the following:

''4087. Transit through the United States of persons wanted in a foreign country.''.

CHAPTER 5—SEIZING AND FORFEITING ASSETS OF INTERNATIONAL CRIMINALS

SEC. 1016. CRIMINAL PENALTIES FOR VIOLATIONS OF ANTI-MONEY LAUNDERING ORDERS.

(a) REPORTING VIOLATIONS.—Section 5324(a) of title 31, United States Code, is amended—

(1) in the matter preceding paragraph (1), by inserting '', or the reporting requirements imposed by an order issued pursuant to section 5326'' after ''any such section''; and

(2) in each of paragraphs (1) and (2), by inserting '', or a report required under any order issued pursuant to section 5326'' before the semicolon.

(b) PENALTIES.—Sections 5321(a)(1), 5322(a), and 5322(b) of title 31, United States Code, are each amended by inserting ''or order issued'' after ''or a regulation prescribed'' each place that term appears.

SEC. 1017. CRACKING DOWN ON ILLEGAL MONEY TRANSMITTING BUSINESSES.

Section 1960 of title 18, United States Code, is amended by adding at the end the following:

''(c) SCIENTER REQUIREMENT.—For the purposes of proving a violation of this section involving an illegal money transmitting business (as defined in subsection (b)(1)(A))—

''(1) it shall be sufficient for the government to prove that the defendant knew that the money transmitting business lacked a license required by State law; and

''(2) it shall not be necessary to show that the defendant knew that the operation of such a business without the required license was an offense punishable as a felony or misdemeanor under State law.''.

SEC. 1018. EXPANDING CIVIL MONEY LAUNDERING LAWS TO REACH FOREIGN PERSONS.

Section 1956(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' after ''(b)''; and

(3) by adding at the end the following:

''(2) For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts shall have jurisdiction over any foreign person, including any financial institution registered in a foreign country, that commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States, if service of process upon the foreign person is made in accordance with the Federal Rules of Civil Procedure or the law of the foreign country in which the foreign person is found.

''(3) The court may issue a pretrial restraining order or take any other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.''.

SEC. 1019. PUNISHMENT OF MONEY LAUNDERING THROUGH FOREIGN BANKS.

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

''(6) the term 'financial institution' includes any financial institution described in section 5312(a)(2) of title 31, United States Code, or the regulations promulgated thereunder, as well as any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7));''.

SEC. 1020. AUTHORITY TO ORDER CONVICTED CRIMINALS TO RETURN PROPERTY LOCATED ABROAD.

(a) ORDER OF FORFEITURE.—Section 413(p) of the Controlled Substances Act (21 U.S.C. 853(p)) is amended by adding at the end the following: ''In the case of property described in paragraph (3), the court may, in addition, order the defendant to return the property to the jurisdiction of the court so that the property may be seized and forfeited.''.

(b) PRETRIAL RESTRAINING ORDER.—Section 413(e) of the Controlled Substances Act (21 U.S.C. 853(e)) is amended by inserting after paragraph (3) the following:

''(4)(A) Pursuant to its authority to enter a pretrial restraining order under this section, including its authority to restrain any property forfeitable as substitute assets, the court may also order the defendant to repatriate any property subject to forfeiture pending trial, and to deposit that property in the registry of the court, or with the United States Marshals Service or the Secretary of the Treasury, in an interest-bearing account.

''(B) Failure to comply with an order under this subsection, or an order to repatriate property under subsection (p), shall be punishable as a civil or criminal contempt of court, and may also result in an enhancement of the sentence for the offense giving rise to the forfeiture under the obstruction of justice provision of section 3C1.1 of the Federal Sentencing Guidelines.''.

SEC. 1021. ADMINISTRATIVE SUMMONS AUTHORITY UNDER THE BANK SECRECY ACT.

Section 5318(b) of title 31, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) SCOPE OF POWER.—The Secretary of the Treasury may take any action described in paragraph (3) or (4) of subsection (a) for the purpose of—

''(A) determining compliance with the rules of this subchapter or any regulation issued under this subchapter; or

''(B) civil enforcement of violations of this subchapter, section 21 of the Federal Deposit Insurance Act, section 411 of the National Housing Act, or chapter 2 of Public Law 91–508 (12 U.S.C. 1951 et seq.), or any regulation issued under any such provision.''.

SEC. 1022. EXEMPTING FINANCIAL ENFORCEMENT DATA FROM UNNECESSARY DISCLOSURE.

(a) IEEPA.—Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702(a)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

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

''(3) EXEMPTIONS FROM DISCLOSURE.—Information obtained under this title before or after the enactment of this section may be withheld only to the extent permitted by statute, except that information submitted, obtained, or considered in connection with any transaction prohibited under this title, including license applications, licenses or other authorizations, information or evidence obtained in the course of any investigation, and information obtained or furnished under this title in connection with international agreements, treaties, or obligations shall be withheld from public disclosure, and shall not be subject to disclosure under section 552 of title 5, United States Code, unless the release of the information is determined by the President to be in the national interest.''.

(b) TRADING WITH THE ENEMY ACT.—Section 5(b) of the Trading with the Enemy Act of 1917 (50 U.S.C. App. 5(b)) is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively; and

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

''(2) EXEMPTIONS FROM DISCLOSURE.—Information obtained under this title before or after the enactment of this section may be withheld only to the extent permitted by statute, except that information submitted, obtained, or considered in connection with any transaction prohibited under this title, including license applications, licenses or other authorizations, information or evidence obtained in the course of any investigation, and information obtained or furnished under this title in connection with international agreements, treaties, or obligations shall be withheld from public disclosure, and shall not be subject to disclosure under section 552 of title 5, United States Code, unless the release of the information is determined by the President to be in the national interest.''.

SEC. 1023. CRIMINAL AND CIVIL PENALTIES UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.

(a) INCREASED CIVIL PENALTY.—Section 206(a) of the International Emergency Economic Powers Act (50 U.S.C. 1705(a)), is amended by striking ''$10,000'' and inserting ''$50,000''.

(b) INCREASED CRIMINAL FINE.—Section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)), is amended to read as follows:

''(b) Whoever willfully violates any license, order, or regulation issued under this chapter shall be fined not more that $1,000,000 if an organization (as defined in section 18 of title 18, United States Code), and not more than $250,000, imprisoned not more that 10 years, or both, if an individual.''.

SEC. 1024. ATTEMPTED VIOLATIONS OF THE TRADING WITH THE ENEMY ACT.

Section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16) is amended—

(1) in subsection (a), by inserting ''or attempt to violate'' after ''violate'' each time it appears; and

(2) in subsection (b)(1), by inserting ''or attempts to violate'' after ''violates''.

SEC. 1025. JURISDICTION OVER CERTAIN FINANCIAL CRIMES COMMITTED ABROAD.

Section 1029 of title 18, United States Code, is amended by adding at the end the following:

''(h) JURISDICTION OVER CERTAIN FINANCIAL CRIMES COMMITTED ABROAD.—Any person who, outside the jurisdiction of the United States, engages in any act that, if committed within the jurisdiction of the United States, would constitute an offense under subsection (a) or (b), shall be subject to the same penalties as if that offense had been committed in the United States, if the act—

''(1) involves an access device issued, owned, managed, or controlled by a financial institution, account issuer, credit card system member, or other entity within the jurisdiction of the United States; and

''(2) causes, or if completed would have caused, a transfer of funds from or a loss to an entity listed in paragraph (1).''.

CHAPTER 6—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

SEC. 1026. STREAMLINED PROCEDURES FOR EXECUTION OF MLAT REQUESTS.

(a) IN GENERAL.—Chapter 117 of title 28, United States Code, is amended by adding at the end the following:

''§ 1790. Assistance to foreign authorities

''(a) IN GENERAL.—

''(1) PRESENTATION OF REQUESTS.—The Attorney General may present a request made by a foreign government for assistance with respect to a foreign investigation, prosecution, or proceeding regarding a criminal matter pursuant to a treaty, convention, or executive agreement for mutual legal assistance between the United States and that government or in accordance with section 1782, the execution of which requires or appears to require the use of compulsory measures in more than 1 judicial district, to a judge or judge magistrate of—

''(A) any 1 of the districts in which persons who may be required to appear to testify or produce evidence or information reside or are found, or in which evidence or information to be produced is located; or

''(B) the United States District Court for the District of Columbia.

''(2) AUTHORITY OF COURT.—A judge or judge magistrate to whom a request for assistance is presented under paragraph (1) shall have the authority to issue those orders necessary to execute the request including orders appointing a person to direct the taking of testimony or statements and the production of evidence or information, of whatever nature and in whatever form, in execution of the request.

''(b) AUTHORITY OF APPOINTED PERSONS.—A person appointed under subsection (a)(2) shall have the authority to—

''(1) issue orders for the taking of testimony or statements and the production of evidence or information, which orders may be served at any place within the United States;

''(2) administer any necessary oath; and

''(3) take testimony or statements and receive evidence and information.

''(c) PERSONS ORDERED TO APPEAR.—A person ordered pursuant to subsection (b)(1) to appear outside the district in which that person resides or is found may, not later than 10 days after receipt of the order—

''(1) file with the judge or judge magistrate who authorized execution of the request a motion to appear in the district in which that person resides or is found or in which the evidence or information is located; or

''(2) provide written notice, requesting appearance in the district in which the person resides or is found or in which the evidence or information is located, to the person issuing the order to appear, who shall advise the judge or judge magistrate authorizing execution.

''(d) TRANSFER OF REQUESTS.—

''(1) IN GENERAL.—The judge or judge magistrate may transfer a request under subsection (c), or that portion requiring the appearance of that person, to the other district if—

''(A) the inconvenience to the person is substantial; and

''(B) the transfer is unlikely to adversely affect the effective or timely execution of the request or a portion thereof.

''(2) EXECUTION.—Upon transfer, the judge or judge magistrate to whom the request or a portion thereof is transferred shall complete its execution in accordance with subsections (a) and (b).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 117 of title 28, United States Code, is amended by adding at the end the following:

''1790. Assistance to foreign authorities.''.

SEC. 1027. TEMPORARY TRANSFER OF INCARCERATED WITNESSES.

(a) IN GENERAL.—Section 3508 of title 18, United States Code, is amended—

(1) by striking the section heading and inserting the following:

''§ 3508. Temporary transfer of witnesses in custody'';

(2) by striking subsections (b) and (c) and inserting the following:

''(b) TRANSFER AUTHORITY.—

''(1) IN GENERAL.—If the testimony of a person who is serving a sentence, in pretrial detention, or otherwise being held in custody in the United States, is needed in a foreign criminal proceeding, the Attorney General shall have the authority to—

''(A) temporarily transfer that person to the foreign country for the purpose of giving the testimony;

''(B) transport that person from the United States in custody;

''(C) make appropriate arrangements for custody for that person while outside the United States; and

''(D) return that person in custody to the United States from the foreign country.

''(2) PERSONS HELD FOR STATE LAW VIOLATIONS.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in this subsection if the appropriate State authorities give their consent.

''(c) RETURN OF PERSONS TRANSFERRED.—

''(1) IN GENERAL.—If the transfer to or from the United States of a person in custody for the purpose of giving testimony is provided for by treaty or convention, by this section, or both, that person shall be returned to the United States, or to the foreign country from which the person is transferred.

''(2) LIMITATION.—In no event shall the return of a person under this subsection require any request for extradition or extradition proceedings, or require that person to be subject to deportation or exclusion proceedings under the laws of the United States, or the foreign country from which the person is transferred.

''(d) APPLICABILITY OF INTERNATIONAL AGREEMENTS.—If there is an international agreement between the United States and the foreign country in which a witness is being held in custody or to which the witness will be transferred from the United States, that provides for the transfer, custody, and return of those witnesses, the terms and conditions of that international agreement shall apply. If there is no such international agreement, the Attorney General may exercise the authority described in subsections (a) and (b) if both the foreign country and the witness give their consent.

''(e) RIGHTS OF PERSONS TRANSFERRED.—

''(1) Notwithstanding any other provision of law, a person held in custody in a foreign country who is transferred to the United States pursuant to this section for the purpose of giving testimony—

''(A) shall not by reason of that transfer, during the period that person is present in the United States pursuant to that transfer, be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act, including the right to apply for or be granted asylum or withholding of deportation or any right to remain in the United States under any other law; and

''(B) may be summarily removed from the United States upon order of the Attorney General.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to create any substantive or procedural right or benefit to remain in the United States that is legally enforceable in a court of law of the United States or of a State by any party against the United States or its agencies or officers.

''(f) CONSISTENCY WITH INTERNATIONAL OBLIGATIONS.—The Attorney General shall not take any action under this section to transfer or return a person to a foreign country unless the Attorney General determines, after consultation with the Secretary of State, that transfer or return would be consistent with the international obligations of the United States. A determination by the Attorney General under this subsection shall not be subject to judicial review by any court.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 223 of title 18, United States Code, is amended by striking the item relating to section 3508 and inserting the following:

''3508. Temporary transfer of witnesses in custody.''.

SEC. 1028. TRAINING OF FOREIGN LAW ENFORCEMENT AGENCIES.

Section 660(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2420(b)) is amended—

(1) in paragraph (4), by striking ''or'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(7) with respect to assistance, including training, provided for antiterrorism purposes.''.

SEC. 1029. DISCRETIONARY AUTHORITY TO USE FORFEITURE PROCEEDS.

Section 524(c)(1) of title 28, United States Code, is amended by—

(1) redesignating subparagraph (I) beginning with ''after all'' as subparagraph (J);

(2) in subparagraph (J) as redesignated, striking the period and inserting '', and''; and

(3) adding at the end the following:

''(J) at the discretion of the Attorney General, payments to return forfeited property repatriated to the United States by a foreign government or others acting at the direction of a foreign government, and interest earned on the property, if—

''(i) a final foreign judgment entered against a foreign government or those acting at its direction, which foreign judgment was based on the measures, such as seizure and repatriation of property, that resulted in deposit of the funds into the Fund;

''(ii) the foreign judgment was entered and presented to the Attorney General not later than 5 years after the date on which the property was repatriated to the United States;

''(iii) the foreign government or those acting at its direction vigorously defended its actions under its own laws; and

''(iv) the amount of the disbursement does not exceed the amount of funds deposited to the Fund, plus interest earned on those funds pursuant to section 524(c)(5), less any awards and equitable shares paid by the Fund to the foreign government or those acting at its direction in connection with a particular case.''.

Subtitle B—International Drug Control

SEC. 1201. ANNUAL COUNTRY PLANS FOR DRUG-TRANSIT AND DRUG PRODUCING COUNTRIES.

Section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) is amended by adding at the end the following:

''(i) COUNTRY PLANS FOR MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES.—

''(1) ANNUAL REQUIREMENT.—Not later than November 1 of each year, the President shall submit to Congress a separate plan for the activities to be undertaken by the United States in order to address drug-trafficking and other drug-related matters in each country described in paragraph (2).

''(2) COVERED COUNTRIES.—A country referred to in paragraph (1) is any country—

''(A) that is determined by the President to be a major drug-transit county or a major illicit drug producing country; and

''(B) with which the United States is maintaining diplomatic relations.

''(3) FORM.—Each plan under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.''.

SEC. 1202. PROHIBITION ON USE OF FUNDS FOR COUNTERNARCOTICS ACTIVITIES AND ASSISTANCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, no funds appropriated for any fiscal year after fiscal year 1999 for the counterdrug or counternarcotics activities of the United States (including funds appropriated for assistance to other countries for such activities) may be obligated or expended for such activities during the period beginning on November 1 of such fiscal year and ending on the later of—

(1) the date of the notification required in such fiscal year under subsection (h) of section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j); or

(2) the date of the submittal of the plans required by subsection (i) of that section, as amended by section 1201 of this title.

(b) LIMITATION ON OVERRIDE.—No provision of law enacted after the date of enactment of this Act may be construed to override the prohibition set forth in subsection (a) unless such provision specifically refers to such prohibition in effecting the override.

SEC. 1203. SENSE OF CONGRESS REGARDING COLOMBIA.

It is the sense of Congress—

(1) that the provision of counternarcotics assistance to Colombia will not meet the purpose of the provision of such assistance without meaningful guarantees that no production, manufacturing, or transportation of narcotics takes place in any area in Colombia designated as a so-called ''buffer zone'';

(2) to be concerned regarding continuing reports of human rights violations by units of the Colombia military; and

(3) to reaffirm the policy that no aid, supplies, or other assistance should be provided to any military or law enforcement unit of a foreign county if such unit has engaged in any violation of human rights.

SEC. 1204. SENSE OF CONGRESS REGARDING MEXICO.

It is the sense of Congress that—

(1) the United States and the Government of Mexico should conclude a maritime agreement for purposes of improving cooperation between the United States and Mexico in the interdiction of seaborne drug smuggling;

(2) the maritime agreement should be similar to agreements between the United States and governments of other countries in the Caribbean and Latin America which have proven beneficial to the counterdrug activities of the countries concerned;

(3) the Government of Mexico should carry through on its promises to the United States Government regarding cooperation between such governments in counternarcotics activities, including cooperation in matters relating to extradition, prosecutions for money laundering, and other matters;

(4) the Government of Mexico is to be commended for its cooperation with and support of the United States Government in many law enforcement matters; and

(5) the continuing investigation by the Government of Mexico of United States law enforcement personnel who participated in the money laundering sting operation known as CASABLANCA is an attempt by that government to embarrass and harass such personnel even though such personnel were acting within the scope of United States law and Mexican law in pursuing drug traffickers and money launderers operating both in the United States and in Mexico.

SEC. 1205. SENSE OF CONGRESS REGARDING IRAN.

It is the sense of Congress to express concern that Iran was not included on the most recent list of countries determined to be major drug-transit countries or major illicit drug producing countries despite recent evidence that Iran is a production and transfer point for narcotics.

SEC. 1206. SENSE OF CONGRESS REGARDING SYRIA.

It is the sense of Congress to express concern that Syria was not included on the most recent list of countries determined to be major drug-transit countries or major illicit drug producing countries despite recent evidence that Syria is a trans-shipment point for narcotics from Turkey and from Afghanistan.

SEC. 1207. BRAZIL.

(a) KING AIR AIRCRAFT FOR DEA ACTIVITIES IN BRAZIL.—Notwithstanding any other provision of law, the Administrator of the Drug Enforcement Administration may—

(1) purchase a King Air aircraft for purposes of Administration activities in Brazil; and

(2) station the aircraft in Brazil for purposes of such activities.

(b) SENSE OF CONGRESS REGARDING ASSISTANCE TO BRAZIL.—It is the sense of Congress—

(1) to encourage the President to review the nature of the cooperation between the United States and Brazil in counternarcotics activities;

(2) to recognize the extraordinary threat that narcotics trafficking poses to the national security of Brazil and to the national security of the United States;

(3) to applaud the efforts of the Brazil Government to control drug trafficking in and through the Amazon River basin;

(4) to applaud the enactment of legislation by the Brazil Congress that—

(A) authorizes appropriate personnel to damage, render inoperative, or destroy aircraft within Brazil territory that are reasonably suspected to be engaged primarily in trafficking in illicit narcotics; and

(B) contains measures to protect against the loss of innocent life during activities referred to in subparagraph (A), including a effective measure to identify and warn aircraft before the use of force; and

(5) to urge the President to issue a statement outlining the matters referred to in paragraphs (1) through (4) in order to prevent any interruption in the current provision by the United States of operational, logistical, technical, administrative, and intelligence assistance to Brazil.

SEC. 1208. JAMAICA.

(a) REQUIREMENT FOR AERIAL SURVEY.—The President shall take appropriate actions in order to provide for a comprehensive aerial survey of Jamaica for purposes of determining the quantity and location of any marijuana and other illegal drugs being grown in Jamaica.

(b) SENSE OF CONGRESS.—It is the sense of Congress to express disappointment regarding the lack of progress and cooperation between the United States and Jamaica in counternarcotics activities.

SEC. 1209. SENSE OF CONGRESS REGARDING NORTH KOREA.

It is the sense of Congress—

(1) to be concerned regarding an increase in the number of reports of drug trafficking in and through North Korea;

(2) to encourage the President to submit to Congress the reports, if any, required by law regarding the production and trafficking of narcotics in or through North Korea; and

(3) to express concern that the Department of State has evaded its obligations with respect to North Korea under section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j), and thereby diminished the significance to the United States of narcotics production and transit in and through North Korea, in order to enhance cultural exchanges between the United States and North Korea.

Subtitle C—Foreign Military Counter-Drug Support

SEC. 1301. REPORT.

(a) MONTHLY REPORT.—The Department of State and the Department of Defense shall report monthly to the Committee on International Relations and the Committee on National Security of the House of Representatives and the Committee on Foreign Relations and the Committee on Armed Services of the Senate on the current status of any

formal letter of request for any foreign military sales of counter narcotics-related assistance from the head of any police, military, or other appropriate security agency official in an Andean Country. This report shall include—

(1) the date the initial request was made;

(2) the current status of the request;

(3) the remaining approvals needed to process the request;

(4) the date that the request has been approved by all relevant departments and agencies; and

(5) the expected delivery time for the requested material.

(b) ANALYSIS.—The Department of State shall review and forward to Congress an analysis of the current foreign military sales program within 180 days (from time of enactment). This review shall focus on—

(1) what, if any, are the current delays in the foreign military sales program;

(2) the manner in which the program can be streamlined;

(3) the manner in which the efficiency of processing requested equipment can be increased; and

(4) what, if any, legislative changes are necessary to improve the program so that the time from request to delivery is minimized.

Subtitle D—Money Laundering Deterrence

SEC. 1401. SHORT TITLE.

This subtitle may be cited as the ''Money Laundering Deterrence Act of 1999''.

SEC. 1402. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the dollar amount involved in international money laundering likely exceeds $500,000,000,000 annually;

(2) organized crime groups are continually devising new methods to launder the proceeds of illegal activities in an effort to subvert the transaction reporting requirements of subchapter II of chapter 53 of title 31, United States Code, and chapter 2 of Public Law 91–508;

(3) a number of methods to launder the proceeds of criminal activity were identified and described in congressional hearings, including the use of financial service providers that are not depository institutions, such as money transmitters and check cashing services, the purchase and resale of durable goods, and the exchange of foreign currency in the so-called ''black market'';

(4) recent successes in combating domestic money laundering have involved the application of the heretofore seldom-used authority granted to the Secretary of the Treasury and the cooperative efforts of Federal, State, and local law enforcement agencies; and

(5) such successes have been exemplified by the implementation of the geographic targeting order in New York City and through the work of the El Dorado task force, a group comprised of agents of Department of the Treasury law enforcement agencies, New York State troopers, and New York City police officers.

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

(1) to amend subchapter II of chapter 53 of title 31, United States Code, to provide the law enforcement community with the necessary legal authority to combat money laundering;

(2) to broaden the law enforcement community's access to transactional information already being collected that relates to coins and currency received in a nonfinancial trade or business; and

(3) to express the sense of Congress that the Secretary of the Treasury should expedite the development and implementation of controls designed to deter money laundering activities at certain types of financial institutions.

SEC. 1403. REPORTING OF SUSPICIOUS ACTIVITIES.

(a) AMENDMENT RELATING TO CIVIL LIABILITY IMMUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title 31, United States Code, is amended to read as follows:

''(3) LIABILITY FOR DISCLOSURES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, an exempted entity, as defined in subparagraph (B), shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for a disclosure described in subparagraph (B)(i), or for any failure to notify the person who is the subject of the disclosure or any other person identified in the disclosure.

''(B) EXEMPTED ENTITIES.—For purposes of this paragraph, the term 'exempted entity' means—

''(i) any financial institution that—

''(I) makes a disclosure of any possible violation of law or regulation to an appropriate government agency; or

''(II) makes a disclosure pursuant to this subsection or any other authority;

''(ii) any director, officer, employee, or agent of an institution referred to in clause (i) who makes, or requires another to make a disclosure referred to in clause (i); and

''(iii) any independent public accountant who audits any such financial institution and makes a disclosure described in clause (i).''.

(b) PROHIBITION ON NOTIFICATION OF DISCLOSURES.—Section 5318(g)(2) of title 31, United States Code, is amended to read as follows:

''(2) NOTIFICATION PROHIBITED.—

''(A) IN GENERAL.—If a financial institution, any director, officer, employee, or agent of any financial institution, or any independent public accountant who audits any such financial institution, voluntarily or pursuant to this section or any other authority, reports a suspicious transaction to an appropriate government agency—

''(i) the financial institution, director, officer, employee, agent, or accountant may not notify any person involved in the transaction that the transaction has been reported and may not disclose any information included in the report to any such person; and

''(ii) no other person, including any officer or employee of any government, who has any knowledge that such report was made, may disclose to any other person or government agency the fact that such report was made.

''(B) EXCEPTION FOR USE BY GOVERNMENT OFFICERS IN OFFICIAL CAPACITY.—Paragraph (1) does not apply to the use or disclosure by an officer or employee of an appropriate government agency of any report under this subsection, or information included in the report, to the extent that the use is made solely in conjunction with the performance of the official duties of the officer or employee to conduct or assist in the conduct of a law enforcement or regulatory inquiry, investigation, or proceeding.

''(C) COORDINATION WITH PARAGRAPH (5).—Subparagraph (A) shall not be construed to prohibit any financial institution, or any director, officer, employee, or agent of a financial institution, from including, in a written employment reference that is provided in accordance with paragraph (5) in response to a request from another financial institution, information that was included in a report to which subparagraph (A) applies, but such written employment reference may not disclose that the information was also included in any such report or that a report was made.''.

(c) AUTHORIZATION TO INCLUDE SUSPICIONS OF ILLEGAL ACTIVITY IN EMPLOYMENT REFERENCES.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

''(5) EMPLOYMENT REFERENCES MAY INCLUDE SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIVITY.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to subparagraph (B) of this paragraph and paragraph (2)(C), any financial institution, and any director, officer, employee, or agent of a financial institution, may disclose, in any written employment reference relating to a current or former institution-affiliated party of the institution that is provided to another financial institution in response to a request from the other institution, information concerning the possible involvement of the institution-affiliated party in any suspicious transaction relevant to a possible violation of law or regulation.

''(B) LIMIT ON LIABILITY FOR DISCLOSURES.—A financial institution, and any director, officer, employee, or agent of the institution, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for any disclosure under subparagraph (A), to the extent that—

''(i) the disclosure does not contain information that the institution, director, officer, employee, agent, or accountant knows to be false; and

''(ii) the institution, director, officer, employee, agent, or accountant has not acted with malice or with reckless disregard for the truth in making the disclosure.

''(C) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this paragraph, the term 'institution-affiliated party' has the same meaning as in section 3(u) of the Federal Deposit Insurance Act, except that section 3(u) shall be applied by substituting the term 'financial institution' for the term 'insured depository institution'.''.

(d) AMENDMENTS RELATING TO AVAILABILITY OF SUSPICIOUS ACTIVITY REPORTS FOR OTHER AGENCIES.—Section 5319 of title 31, United States Code, is amended—

(1) in the first sentence, by striking ''5314, or 5316'' and inserting ''5313A, 5314, 5316, or 5318(g)'';

(2) in the last sentence, by inserting ''under section 5313, 5313A, 5314, 5316, or 5318(g)'' after ''records of reports''; and

(3) by adding at the end the following: ''The Secretary of the Treasury may permit the dissemination of information in any such report to any self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), if the Securities and Exchange Commission determines that the dissemination is necessary or appropriate to permit the self-regulatory organization to perform its functions under the Securities Exchange Act of 1934 and regulations prescribed under that Act.''.

SEC. 1404. EXPANSION OF SCOPE OF SUMMONS POWER.

Section 5318(b)(1) of title 31, United States Code, is amended by inserting ''examinations to determine compliance with the requirements of this subchapter, section 21 of the

Federal Deposit Insurance Act, and chapter 2 of Public Law 91–508 and regulations prescribed pursuant to those provisions, investigations relating to reports filed by financial institutions or other persons pursuant to any such provision or regulation, and'' after ''in connection with''.

SEC. 1405. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TARGETING ORDERS AND CERTAIN RECORDKEEPING REQUIREMENTS.

(a) CIVIL PENALTY FOR VIOLATION OF TARGETING ORDER.—Section 5321(a)(1) of title 31, United States Code, is amended by inserting ''or order issued'' after ''regulation prescribed''.

(b) CRIMINAL PENALTIES FOR VIOLATION OF TARGETING ORDER.—Subsections (a) and (b) of section 5322 of title 31, United States Code, are amended by inserting ''or order issued'' after ''regulation prescribed'' each place that term appears.

(c) STRUCTURING TRANSACTIONS TO EVADE TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5324(a) of title 31, United States Code, is amended—

(1) by inserting a comma after ''shall'';

(2) by striking ''section—'' and inserting ''section, the reporting requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508—''; and

(3) in paragraphs (1) and (2), by inserting '', to file a report required by any order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508'' after ''regulation prescribed under any such section'' each place that term appears.

(d) INCREASE IN CIVIL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by striking ''$10,000'' and inserting ''the greater of—

''(A) the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred; or

''(B) $25,000''.

(2) PUBLIC LAW 91–508.—Section 125(a) of Public Law 91–508 (12 U.S.C. 1955(a)) is amended by striking ''$10,000'' and inserting ''the greater of—

''(1) the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred; or

''(2) $25,000''.

(e) CRIMINAL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) SECTION 126.—Section 126 of Public Law 91–508 (12 U.S.C. 1956) is amended to read as follows:

''SEC. 126. CRIMINAL PENALTY.

''A person that willfully violates this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or that section 21, shall be fined not more than $250,000, or imprisoned for not more than 5 years, or both.''.

(2) SECTION 127.—Section 127 of Public Law 91–508 (12 U.S.C. 1957) is amended to read as follows:

''SEC. 127. ADDITIONAL CRIMINAL PENALTY IN CERTAIN CASES.

''A person that willfully violates this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or that section 21, while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period, shall be fined not more than $500,000, imprisoned for not more than 10 years, or both.''.

SEC. 1406. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

Section 407(d) of the Money Laundering Suppression Act of 1994 (31 U.S.C. 5311 note) is amended by striking ''subsection (c)'' and inserting ''subsection (c)(2)''.

SEC. 1407. LIMITED EXEMPTION FROM PAPERWORK REDUCTION ACT.

Section 3518(c)(1) of title 44, United States Code, is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

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

''(C) pursuant to regulations prescribed or orders issued by the Secretary of the Treasury under section 5318(h) or 5326 of title 31;''.

SEC. 1408. SENSE OF CONGRESS.

It is the sense of Congress that the Secretary of the Treasury should, in conjunction with the Board of Governors of the Federal Reserve System, expedite the promulgation of ''know your customer'' regulations for financial institutions.

Subtitle E—Additional Funding For Source and Interdiction Zone Countries

SEC. 1501. SOURCE ZONE COUNTRIES.

In addition to other amounts appropriated for Colombia and Peru for counternarcotics operations for a fiscal year, there is authorized to be appropriated—

(1) $20,000,000 for Peru for each of fiscal years 2000 and 2001 for supporting additional surveillance, pursuit of drug aircraft, and general support for counternarcotics operations;

(2) $75,000,000 for Colombia for each of fiscal years 2000 and 2001, for supporting additional surveillance, pursuit of drug aircraft, and general support for counternarcotics operations, including the acquisition of a minimum of 3 Blackhawk helicopters and 2 aerostats; and

(3) $52,000,000 for Bolivian counternarcotics programs for fiscal year 2000, including high technology detection equipment for the Chapare region, institution building, and law enforcement support.

SEC. 1502. CENTRAL AMERICA.

In addition to the other amounts appropriated, under this Act or any other provision of law, for counternarcotics matters for countries in Central America, there is authorized to be appropriated $25,000,000 for fiscal year 2000 for enhanced efforts in counternarcotics matters by the United States Coast Guard, the United States Customs Service, and other law enforcement agencies.

TITLE II—DOMESTIC LAW ENFORCEMENT

Subtitle A—Criminal Offenders

SEC. 2001. APPREHENSION AND PROCEDURAL TREATMENT OF ARMED VIOLENT CRIMINALS.

(a) CONGRESSIONAL OVERSIGHT.—

(1) REPORT TO ATTORNEY GENERAL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall require each United States Attorney to—

(A) establish an armed violent criminal apprehension task force comprised of appropriate law enforcement representatives, which shall be responsible for developing strategies for removing armed violent criminals from the streets; and

(B) not less frequently than monthly, report to the Attorney General on the number of defendants charged with, or convicted of, violating section 922(g) or 924 of title 18, United States Code, in the district for which the United States Attorney is appointed.

(2) REPORT TO CONGRESS.—The Attorney General shall prepare and submit a report to the Congress once every 6 months detailing the contents of the reports submitted pursuant to paragraph (1)(B).

(b) PRETRIAL DETENTION FOR POSSESSION OF FIREARMS OR EXPLOSIVES BY CONVICTED FELONS.—Section 3156(a)(4) of title 18, United States Code, is amended—

(1) by striking ''or'' at the end of subparagraph (B);

(2) by striking ''and'' at the end of subparagraph (C) and inserting ''; or''; and

(3) by adding at the end the following:

''(D) an offense that is a violation of section 842(i) or 922(g) (relating to possession of explosives or firearms by convicted felons); and''.

(c) CONFORMING SCIENTER CHANGE FOR TRANSFERRING A FIREARM TO COMMIT A CRIME OF VIOLENCE.—Section 924(h) of title 18, United States Code, is amended by inserting ''or having reasonable cause to believe'' after ''knowing''.

(d) FIREARMS POSSESSION BY VIOLENT FELONS AND SERIOUS DRUG OFFENDERS.—Section 924(a)(2) of title 18, United States Code, is amended—

(1) by striking ''(2) Whoever'' and inserting ''(2)(A) Except as provided in subparagraph (B), any person who''; and

(2) by adding at the end the following:

''(B) Notwithstanding any other provision of law, the court shall not grant a probationary sentence to a person who has more than 1 previous conviction for a violent felony or a serious drug offense, committed under different circumstances.''.

SEC. 2002. CRIMINAL ATTEMPT.

(a) ESTABLISHMENT OF GENERAL ATTEMPT OFFENSE.—

(1) IN GENERAL.—Chapter 19 of title 18, United States Code, is amended—

(A) in the chapter heading, by striking ''Conspiracy'' and inserting ''Inchoate offenses''; and

(B) by adding at the end the following:

''§ 374. Attempt to commit offense

''(a) IN GENERAL.—Whoever, acting with the state of mind otherwise required for the commission of an offense described in this title, intentionally engages in conduct that, in fact, constitutes a substantial step toward the commission of the offense, is guilty of an attempt and is subject to the same penalties as those prescribed for the offense, the commission of which was the object of the attempt, except that the penalty of death shall not be imposed.

''(b) INABILITY TO COMMIT OFFENSE; COMPLETION OF OFFENSE.—It is not a defense to a prosecution under this section—

''(1) that it was factually impossible for the actor to commit the offense, if the offense could have been committed had the circumstances been as the actor believed them to be; or

''(2) that the offense attempted was completed.

''(c) EXCEPTIONS.—This section does not apply—

''(1) to an offense consisting of conspiracy, attempt, endeavor, or solicitation;

''(2) to an offense consisting of an omission, refusal, failure of refraining to act;

''(3) to an offense involving negligent conduct; or

''(4) to an offense described in section 1118, 1120, 1121, or 1153 of this title.

''(d) AFFIRMATIVE DEFENSE.—

''(1) IN GENERAL.—It is an affirmative defense to a prosecution under this section, on which the defendant bears the burden of persuasion by a preponderance of the evidence, that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant prevented the commission of the offense.

''(2) DEFINITION.—For purposes of this subsection, a renunciation is not 'voluntary and complete' if it is motivated in whole or in part by circumstances that increase the probability of detection or apprehension or that make it more difficult to accomplish the offense, or by a decision to postpone the offense until a more advantageous time or to transfer the criminal effort to a similar objective or victim.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 19 of title 18, United States Code, is amended by adding at the end the following:

''374. Attempt to commit offense.''.

(b) RATIONALIZATION OF CONSPIRACY PENALTY AND CREATION OF RENUNCIATION DEFENSE.—Section 371 of title 18, United States Code, is amended—

(1) by striking the second undesignated paragraph; and

(2) in the first undesignated paragraph—

(A) by striking ''If two or more'' and inserting the following:

''(a) IN GENERAL.—If 2 or more''; and

(B) by striking ''either to commit any offense against the United States, or''; and

(3) by adding at the end the following:

''(b) CONSPIRACY.—If 2 or more persons conspire to commit any offense against the United States, and 1 or more of such persons do any act to effect the object of the conspiracy, each shall be subject to the same penalties as those prescribed for the most serious offense, the commission of which was the object of the conspiracy, except that the penalty of death shall not be imposed.''.

SEC. 2003. DRUG OFFENSES COMMITTED IN THE PRESENCE OF CHILDREN.

(a) IN GENERAL.—For the purposes of this Act, an offense is committed in the presence of a child if—

(1) it takes place in the line of sight of an individual who has not attained the age of 18 years; or

(2) an individual who has not attained the age of 18 years habitually resides in the place where the violation occurs.

(b) GUIDELINES.—Not later than 120 days after the date of enactment of this Act, the United States Sentencing Commission shall amend the Federal sentencing guidelines to provide, with respect to an offense under part D of the Controlled Substances Act is committed in the presence of a child—

(1) a sentencing enhancement of not less than 2 offense levels above the base offense level for the underlying offense or 1 additional year, whichever is greater; and

(2) in the case of a second or subsequent such offense, a sentencing enhancement of not less than 4 offense levels above the base offense level for the underlying offense, or 2 additional years, whichever is greater.

SEC. 2004. SENSE OF CONGRESS ON BORDER DEFENSE.

(a) FINDINGS.—Congress finds that—

(1) the Southwest Border of the United States is a major crossing point for more than 60 percent of the cocaine entering the United States from Latin America;

(2) drug traffickers are increasingly using violence to threaten local residents, to endanger lives, and destroy property;

(3) drug traffickers are creating a law enforcement no-man's land to facilitate drug trafficking on the Mexican side of the common border and using extortionate methods, illegal riches, and intimidation to acquire property on the United States side of the border; and

(4) United States law enforcement efforts have been insufficient to protect lives and property or to prevent the use of illegally obtained riches to acquire property.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President, in cooperation with the Government of Mexico, should take immediate and effective action at and near the United States border with Mexico to control violence and other illegal acts directed at the respective residents of both countries; and

(2) the Attorney General should submit to the Committees on the Judiciary of the House of Representatives and the Senate a report on—

(A) what steps are being taken to ensure the safety of United States citizens at and near the United States border with Mexico;

(B) what steps are being taken to prevent the illegal acquisition of sites and facilities at or near the border by drug traffickers; and

(C) what further steps need to be taken to ensure the safety and well being of the people of the United States along the United States border with Mexico.

SEC. 2005. CLONE PAGERS.

(a) IN GENERAL.—Section 2511(2)(h) of title 18, United States Code, is amended by striking clause (i) and inserting the following:

''(i) to use a pen register, a trap and trace device, or a clone pager, as those terms are defined in chapter 206 (relating to pen registers, trap and trace devices, and clone pagers) of this title; or'';

(b) EXCEPTION.—Section 3121 of title 18, United States Code, is amended—

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

''(a) IN GENERAL.—Except as provided in this section, no person may install or use a pen register, trap and trace device, or clone pager without first obtaining a court order under section 3123 or section 3129 of this title, or under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.).'';

(2) in subsection (b), by striking ''a pen register or a trap and trace device'' and inserting ''a pen register, trap and trace device, or clone pager''; and

(3) by striking the section heading and inserting the following:

''§ 3121. General prohibition on pen register, trap and trace device, and clone pager use; exception''.

(c) ASSISTANCE.—Section 3124 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively;

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

''(c) CLONE PAGER.—Upon the request of an attorney for the Government or an officer of a law enforcement agency authorized to use a clone pager under this chapter, a provider of electronic communication service shall furnish to such investigative or law enforcement officer all information, facilities, and technical assistance necessary to accomplish the use of the clone pager unobtrusively and with a minimum of interference with the services that the person so ordered by the court provides to the subscriber, if such assistance is directed by a court order, as provided in section 3129(b)(2) of this title.''; and

(3) by striking the section heading and inserting the following:

''§ 3124. Assistance in installation and use of a pen register, trap and trace device, or clone pager''.

(d) EMERGENCY INSTALLATIONS.—Section 3125 of title 18, United States Code, is amended—

(1) by striking ''pen register or a trap and trace device'' and ''pen register or trap and trace device'' each place those terms appear, and inserting ''pen register, trap and trace device, or clone pager'';

(2) in subsection (a), by striking ''an order approving the installation or use is issued in accordance with section 3123 of this title'' and inserting ''an application is made for an order approving the installation or use in accordance with section 3122 or section 3128 of this title'';

(3) in subsection (b), by adding at the end the following: ''In the event that such application for the use of a clone pager is denied, or in any other case in which the use of the clone pager is terminated without an order having been issued, an inventory shall be served as provided for in section 3129(e).''; and

(4) by striking the section heading and inserting the following:

''§ 3125. Emergency pen register, trap and trace device, and clone pager installation and use''.

(e) REPORTS.—Section 3126 of title 18, United States Code, is amended—

(1) by striking ''pen register orders and orders for trap and trace devices'' and inserting ''orders for pen registers, trap and trace devices, and clone pagers''; and

(2) by striking the section heading and inserting the following:

''§ 3126. Reports concerning pen registers, trap and trace devices, and clone pagers''.

(f) DEFINITIONS.—Section 3127 of title 18, United States Code, is amended—

(1) in paragraph (2)—

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

(B) by striking subparagraph (B) and inserting the following:

''(B) with respect to an application for the use of a pen register or trap and trace device, a court of general criminal jurisdiction of a State authorized by the law of that State to enter orders authorizing the use of a pen register or a trap and trace device; or

''(C) with respect to an application for the use of a clone pager, a court of general criminal jurisdiction of a State authorized by the law of that State to issue orders authorizing the use of a clone pager;'';

(2) in paragraph (5), by striking ''and'' at the end;

(3) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(7) the term 'clone pager' means a numeric display device that receives communications intended for another numeric display paging device.''.

(g) APPLICATIONS.—Chapter 206 of title 18, United States Code, is amended by adding at the end the following:

''§ 3128. Application for an order for use of a clone pager

''(a) APPLICATION.—

''(1) FEDERAL REPRESENTATIVES.—Any attorney for the Government may apply to a court of competent jurisdiction for an order or an extension of an order under section 3129 of this title authorizing the use of a clone pager.

''(2) STATE REPRESENTATIVES.—A State investigative or law enforcement officer may, if authorized by a State statute, apply to a

court of competent jurisdiction of such State for an order or an extension of an order under section 3129 of this title authorizing the use of a clone pager.

''(b) CONTENTS OF APPLICATION.—An application under subsection (a) of this section shall include—

''(1) the identity of the attorney for the Government or the State law enforcement or investigative officer making the application and the identity of the law enforcement agency conducting the investigation;

''(2) the identity, if known, of the individual or individuals using the numeric display paging device to be cloned;

''(3) a description of the numeric display paging device to be cloned;

''(4) a description of the offense to which the information likely to be obtained by the clone pager relates;

''(5) the identity, if known, of the person who is subject of the criminal investigation; and

''(6) an affidavit or affidavits, sworn to before the court of competent jurisdiction, establishing probable cause to believe that information relevant to an ongoing criminal investigation being conducted by that agency will be obtained through use of the clone pager.

''§ 3129. Issuance of an order for use of a clone pager

''(a) IN GENERAL.—Upon an application made under section 3128 of this title, the court shall enter an ex parte order authorizing the use of a clone pager within the jurisdiction of the court if the court finds that the application has established probable cause to believe that information relevant to an ongoing criminal investigation being conducted by that agency will be obtained through use of the clone pager.

''(b) CONTENTS OF AN ORDER.—An order issued under this section—

''(1) shall specify—

''(A) the identity, if known, of the individual or individuals using the numeric display paging device to be cloned;

''(B) the numeric display paging device to be cloned;

''(C) the identity, if known, of the subscriber to the pager service; and

''(D) the offense to which the information likely to be obtained by the clone pager relates; and

''(2) shall direct, upon the request of the applicant, the furnishing of information, facilities, and technical assistance necessary to use the clone pager under section 3124 of this title.

''(c) TIME PERIOD AND EXTENSIONS.—

''(1) IN GENERAL.—An order issued under this section shall authorize the use of a clone pager for a period not to exceed 30 days. Such 30-day period shall begin on the earlier of the day on which the investigative or law enforcement officer first begins use of the clone pager under the order or the tenth day after the order is entered.

''(2) EXTENSIONS.—Extensions of an order issued under this section may be granted, but only upon an application for an order under section 3128 of this title and upon the judicial finding required by subsection (a). An extension under this paragraph shall be for a period not to exceed 30 days.

''(3) REPORT.—Within a reasonable time after the termination of the period of a clone pager order or any extensions thereof under this subsection, the applicant shall report to the issuing court the number of numeric pager messages acquired through the use of the clone pager during such period.

''(d) NONDISCLOSURE OF EXISTENCE OF CLONE PAGER.—An order authorizing the use of a clone pager shall direct that—

''(1) the order shall be sealed until otherwise ordered by the court; and

''(2) the person who has been ordered by the court to provide assistance to the applicant may not disclose the existence of the clone pager or the existence of the investigation to the listed subscriber, or to any other person, until otherwise ordered by the court.

''(e) NOTIFICATION.—Within a reasonable time, not later than 90 days after the date of termination of the period of a clone pager order or any extensions thereof, the issuing judge shall cause to be served, on the individual or individuals using the numeric display paging device that was cloned, an inventory including notice of—

''(1) the fact of the entry of the order or the application;

''(2) the date of the entry and the period of clone pager use authorized, or the denial of the application; and

''(3) whether or not information was obtained through the use of the clone pager. Upon an ex-parte showing of good cause, a court of competent jurisdiction may in its discretion postpone the serving of the notice required by this section.''.

(h) CLERICAL AMENDMENTS.—The table of sections for chapter 206 of title 18, United States Code, is amended—

(1) by striking the item relating to section 3121 and inserting the following:

''3121. General prohibition on pen register, trap and trace device, and clone pager use; exception.'';

(2) by striking the items relating to sections 3124, 3125, and 3126 and inserting the following:

''3124. Assistance in installation and use of a pen register, trap and trace device, or clone pager.

''3125. Emergency pen register, trap and trace device, and clone pager installation and use.

''3126. Reports concerning pen registers, trap and trace devices, and clone pagers.''; and

(3) by adding at the end the following:

''3128. Application for an order for use of a clone pager.

''3129. Issuance of an order for use of a clone pager''.

(i) CONFORMING AMENDMENT.—Section 605(a) of title 47, United States Code, is amended by striking ''chapter 119'' and inserting ''chapters 119 and 206''.

Subtitle B—Methamphetamine Laboratory Cleanup

SEC. 2101. SENSE OF CONGRESS REGARDING METHAMPHETAMINE LABORATORY CLEANUP.

(a) FINDINGS.—Congress finds that—

(1) methamphetamine use is increasing;

(2) the production of methamphetamine is increasingly taking place in laboratories located in rural and urban areas;

(3) this production involves dangerous and explosive chemicals that are dumped in an unsafe manner; and

(4) the cost of cleaning up these productionsites involves major financial burdens on State and local law enforcement agencies.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Administrator of the Drug Enforcement Administration should develop a comprehensive plan for addressing the need for the speedy and safe clean up of methamphetamine laboratory sites; and

(2) the Federal Government should allocate sufficient funding to pay for a comprehensive effort to clean up methamphetamine laboratory sites.

Subtitle C—Powder Cocaine Mandatory Minimum Sentencing

SEC. 2201. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Drug-Free Borders

SEC. 2301. INCREASED PENALTY FOR FALSE STATEMENT OFFENSE.

Section 542 of title 18, United States Code, is amended by striking ''two years'' and inserting ''5 years''.

SEC. 2302. INCREASED NUMBER OF BORDER PATROL AGENTS.

Section 101(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; 110 Stat. 3009–553) is amended to read as follows:

''(a) INCREASED NUMBER OF BORDER PATROL AGENTS.—The Attorney General in each of fiscal years 2000, 2001, 2002, 2003, and 2004 shall increase by not less than 1,500 the number of positions for full-time, active-duty border patrol agents within the Immigration and Naturalization Service above the number of such positions for which funds were allotted for the preceding fiscal year, to achieve a level of 15,000 positions by fiscal year 2004.''.

SEC. 2303. ENHANCED BORDER PATROL PURSUIT POLICY.

A border patrol agent of the United States Border Patrol may not cease pursuit of an alien who the agent suspects has unlawfully entered the United States, or an individual who the agent suspects has unlawfully imported a narcotic into the United States, until State or local law enforcement authorities are in pursuit of the alien or individual and have the alien or individual in their visual range.

TITLE III—DEMAND REDUCTION

Subtitle A—Education, Prevention, and Treatment

SEC. 3001. SENSE OF CONGRESS ON REAUTHORIZATION OF SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1994.

(a) FINDINGS.—Congress finds that—

(1) drug and alcohol use continue to plague the Nation's youth;

(2) approximately 5.6 percent of high school seniors currently smoke marijuana daily;

(3) the American public has identified drugs as the most serious problem facing its children today;

(4) delinquent behavior is clearly linked to the frequency of marijuana use; and

(5) 89 percent of students in grades 6 through 12 say their teachers have taught them about the dangers of drugs and alcohol.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress and the President should make the reauthorization of the Safe and Drug-Free Schools and Communities Act of 1994 a high priority for the 106th Congress, and that such reauthorization should maintain substance abuse prevention as a major focus of the program.

SEC. 3002. SENSE OF CONGRESS REGARDING REAUTHORIZATION OF PREVENTION AND TREATMENT PROGRAMS.

(a) FINDINGS.—Congress finds that—

(1) 34.8 percent of Americans 12 years of age and older have used an illegal drug in their lifetime and 90 percent of these individuals have used marijuana or hashish and approximately 30 percent have tried cocaine;

(2) the number of teenagers using drugs has increased significantly over the past 5 years;

(3) drug abuse is a health issue being faced in every community, town, State and region of this country;

(4) no one is immune from drug abuse, and such abuse threatens Americans of every socioeconomic background, every educational level, and every race and ethnic origin;

(5) in 1990 the United States spent $67,000,000,000 on drug-related disorders including health costs, the costs of crime, the costs of accidents and other damages to individuals and property, and the costs of the loss of productivity and premature death;

(6) comprehensive prevention activities can help youth in saying no to drugs;

(7) there are over 6,000 community coalitions throughout the Nation helping the youth of America chose a healthy life style;

(8) individuals with addictive disorders should be held accountable for their actions and should be offered treatment to help change destructive behavior;

(9) a balanced approach to dealing with drug abuse is needed in the United States between reducing the demand for drugs and the supply of those drugs and a comprehensive plan for addressing drug abuse will involve prevention, education and treatment as well as law enforcement and interdiction; and

(10) the Substance Abuse and Mental Health Services Administration is the lead Federal agency for substance abuse prevention and treatment initiatives.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress and the President should—

(1) make the reauthorization of Federal substance abuse prevention and treatment programs a high priority for the 106th Congress; and

(2) provide more flexibility to States in the use of Federal funds for provision of drug abuse prevention and treatment services while holding States accountable for their performance.

SEC. 3003. REPORT ON DRUG-TESTING TECHNOLOGIES.

(a) REQUIREMENT.—The National Institute on Standards and Technology shall conduct a study of drug-testing technologies in order to identify and assess the efficacy, accuracy, and usefulness for purposes of the National effort to detect the use of illicit drugs of any drug-testing technologies (including the testing of hair) that may be used as alternatives or complements to urinalysis as a means of detecting the use of such drugs.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Institute shall submit to Congress a report on the results of the study conducted under subsection (a).

SEC. 3004. USE OF NATIONAL INSTITUTES OF HEALTH SUBSTANCE ABUSE RESEARCH.

(a) NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM.—Section 464H of the Public Health Service Act (42 U.S.C. 285n) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) REQUIREMENT TO ENSURE THAT RESEARCH AIDS PRACTITIONERS.—The Director, in conjunction with the Director of the National Institute on Drug Abuse and the Director of the Center for Substance Abuse Treatment, shall—

''(1) ensure that the results of all current alcohol research that is set aside for services (and other appropriate research with practical consequences) is widely disseminated to treatment practitioners in an easily understandable format;

''(2) ensure that such research results are disseminated in a manner that provides easily understandable steps for the implementation of best practices based on the research; and

''(3) make technical assistance available to the Center for Substance Abuse Treatment to assist alcohol and drug treatment practitioners to make permanent changes in treatment activities through the use of successful treatment models.''.

(b) NATIONAL INSTITUTE ON DRUG ABUSE.—Section 464L of the Public Health Service Act (42 U.S.C. 285o) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) REQUIREMENT TO ENSURE THAT RESEARCH AIDS PRACTITIONERS.—The Director, in conjunction with the Director of the National Institute on Alcohol Abuse and Alcoholism and the Director of the Center for Substance Abuse Treatment, shall—

''(1) ensure that the results of all current drug abuse research that is set aside for services (and other appropriate research with practical consequences) is widely disseminated to treatment practitioners in an easily understandable format;

''(2) ensure that such research results are disseminated in a manner that provides easily understandable steps for the implementation of best practices based on the research; and

''(3) make technical assistance available to the Center for Substance Abuse Treatment to assist alcohol and drug treatment practitioners to make permanent changes in treatment activities through the use of successful treatment models.''.

SEC. 3005. NEEDLE EXCHANGE.

(a) PROHIBITION REGARDING ILLEGAL DRUGS AND DISTRIBUTION OF HYPODERMIC NEEDLES.—Part B of title II of the Public Health Service Act (42 U.S.C. 238 et seq.) is amended by adding at the end the following section:

''PROHIBITION REGARDING ILLEGAL DRUGS AND DISTRIBUTION OF HYPODERMIC NEEDLES

''SEC. 247. Notwithstanding any other provision of law, none of the amounts made available under any Federal law for any fiscal year may be expended, directly or indirectly, to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.''.

(b) CONFORMING AMENDMENT.—Section 506 of Public Law 105–78 is repealed.

SEC. 3006. DRUG-FREE TEEN DRIVERS INCENTIVE.

(a) IN GENERAL.—The Secretary of Transportation shall establish an incentive grant program for States to assist the States in improving their laws relating to controlled substances and driving.

(b) GRANT REQUIREMENTS.—To qualify for a grant under subsection (a), a State shall carry out the following:

(1) Enact, actively enforce, and publicize a law that makes it illegal to drive in the State with any measurable amount of an illegal controlled substance in the driver's body. An illegal controlled substance is a controlled substance for which an individual does not have a legal written prescription. An individual who is convicted of such illegal driving shall be referred to appropriate services, including intervention, counselling, and treatment.

(2) Enact, actively enforce, and publicize a law that makes it illegal to drive in the State when driving is impaired by the presence of any drug. The State shall provide that in the enforcement of such law, a driver shall be tested for the presence of a drug when there is evidence of impaired driving and a driver will have the driver's license suspended. An individual who is convicted of such illegal driving shall be referred to appropriate services, including intervention, counselling, and treatment.

(3) Enact, actively enforce, and publicize a law that authorizes the suspension of a driver's license if the driver is convicted of any criminal offense relating to drugs.

(4) Enact a law that provides that beginning driver applicants and other individuals applying for or renewing a driver's license will be provided information about the laws referred to in paragraphs (1), (2), and (3) and will be required to answer drug-related questions on their applications.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 for each of fiscal years 2000 through 2004 to carry out this section.

SEC. 3007. DRUG-FREE SCHOOLS.

Congress finds that—

(1) the continued presence in schools of violent students who are a threat to both teachers and other students is incompatible with a safe learning environment;

(2) unsafe school environments place students who are already at risk of school failure for other reasons in further jeopardy;

(3) recently, over one-fourth of high school students surveyed reported being threatened at school;

(4) 2,000,000 more children are using drugs in 1997 than were doing so a few short years prior to 1997;

(5) more of our children are becoming involved with hard drugs at earlier ages, as use of heroin and cocaine by 8th graders has more than doubled since 1991; and

(6) greater cooperation between schools, parents, law enforcement, the courts, and the community is essential to making our schools safe from drugs and violence.

SEC. 3008. VICTIM AND WITNESS ASSISTANCE PROGRAMS FOR TEACHERS AND STUDENTS.

(a) VICTIM COMPENSATION.—Section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by adding at the end the following:

''(f) VICTIMS OF SCHOOL VIOLENCE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, an eligible crime victim compensation program may expend funds appropriated under paragraph (2) to offer compensation to elementary and secondary school students or teachers who are victims of elementary and secondary school violence (as school violence is defined under applicable State law).

''(2) FUNDING.—There is authorized to be appropriated such sums as may be necessary to carry out paragraph (1).''.

(b) VICTIM AND WITNESS ASSISTANCE.—Section 1404(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)) is amended by adding at the end the following:

''(5) ASSISTANCE FOR VICTIMS OF AND WITNESSES TO SCHOOL VIOLENCE.—Notwithstanding any other provision of law, the Director may make a grant under this section for a demonstration project or for training and technical assistance services to a program that—

''(A) assists State educational agencies and local educational agencies (as the terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)) in developing, establishing, and operating programs that are designed to protect victims of and witnesses to incidents of elementary and secondary school violence (as school violence is defined under applicable State law), including programs designed to protect witnesses testifying in school disciplinary proceedings; or

''(B) supports a student safety toll-free hotline that provides students and teachers in elementary and secondary schools with confidential assistance relating to the issues of school crime, violence, drug dealing, and threats to personal safety.''.

SEC. 3009. INNOVATIVE PROGRAMS TO PROTECT TEACHERS AND STUDENTS.

(a) DEFINITIONS.—In this section:

(1) ELEMENTARY SCHOOL, LOCAL EDUCATIONAL AGENCY, SECONDARY SCHOOL, AND STATE EDUCATIONAL AGENCY.—The terms ''elementary school'', ''local educational agency'', ''secondary school'', and ''State educational agency'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(b) AUTHORIZATION FOR REPORT CARDS ON SCHOOLS.—

(1) IN GENERAL.—The Secretary is authorized to award grants to States, State educational agencies, and local educational agencies to develop, establish, or conduct innovative programs to improve unsafe elementary schools or secondary schools.

(2) PRIORITY.—The Secretary shall give priority to awarding grants under paragraph (1) to—

(A) programs that provide parent and teacher notification about incidents of physical violence, weapon possession, or drug activity on school grounds as soon after the incident as practicable;

(B) programs that provide to parents and teachers an annual report regarding—

(i) the total number of incidents of physical violence, weapon possession, and drug activity on school grounds;

(ii) the percentage of students missing 10 or fewer days of school; and

(iii) a comparison, if available, to previous annual reports under this paragraph, which comparison shall not involve a comparison of more than 5 such previous annual reports; and

(C) programs to enhance school security measures that may include—

(i) equipping schools with fences, closed circuit cameras, and other physical security measures;

(ii) providing increased police patrols in and around elementary schools and secondary schools, including canine patrols; and

(iii) mailings to parents at the beginning of the school year stating that the possession of a gun or other weapon, or the sale of drugs in school, will not be tolerated by school authorities.

(c) APPLICATION.—

(1) IN GENERAL.—Each State, State educational agency, or local educational agency desiring a grant under this subchapter shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

(2) CONTENTS.—Each application submitted under paragraph (1) shall contain an assurance that the State or agency has implemented or will implement policies that—

(A) provide protections for victims and witnesses to school crime, including protections for attendance at school disciplinary proceedings;

(B) expel students who, on school grounds, sell drugs, or who commit a violent offense that causes serious bodily injury of another student or teacher; and

(C) require referral to law enforcement authorities or juvenile authorities of any student who on school grounds—

(i) commits a violent offense resulting in serious bodily injury; or

(ii) sells drugs.

(3) SPECIAL RULE.—For purposes of subparagraphs (B) and (C) of paragraph (2), State law shall determine what constitutes a violent offense or serious bodily injury.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

(e) INNOVATIVE VOLUNTARY RANDOM DRUG TESTING PROGRAMS.—Section 4116(b) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7116(b)) is amended—

(1) in paragraph (9), by striking ''and'' after the semicolon;

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting after paragraph (9) the following:

''(10) innovative voluntary random drug testing programs; and''.

Subtitle B—Drug-Free Families

SEC. 3101. SHORT TITLE.

This subtitle may be cited as the ''Drug-Free Families Act of 1999''.

SEC. 3102. FINDINGS.

Congress makes the following findings:

(1) The National Institute on Drug Abuse estimates that in 1962, less than one percent of the Nation's adolescents had ever tried an illicit drug. By 1979, drug use among young people had escalated to the highest levels in history: 34 percent of adolescents (ages 12-17), 65 percent of high school seniors (age 18), and 70 percent of young adults (ages 18-25) had used an illicit drug in their lifetime.

(2) Drug use among young people was not confined to initial trials. By 1979, 16 percent of adolescents, 39 percent of high school seniors, and 38 percent of young adults had used an illicit drug in the past month. Moreover, one in nine high school seniors used marijuana daily.

(3) In 1979, the year the largest number of seniors used marijuana, their belief that marijuana could hurt them was at its lowest (35 percent) since surveys have tracked these measures.

(4) Three forces appeared to be driving this escalation in drug use among children and young adults. Between 1972 and 1978, a nationwide political campaign conducted by drug legalization advocates persuaded eleven state legislatures to ''decriminalize'' marijuana. (Many of those states have subsequently ''recriminalized'' the drug.) Such legislative action reinforced advocates' assertion that marijuana was ''relatively harmless.''

(5) The decriminalization effort gave rise to the emergence of ''head shops'' (shops for ''heads,'' or drug users—''coke heads,'' ''pot heads,'' ''acid heads,'' etc.) which sold drug paraphernalia—an array of toys, implements, and instructional pamphlets and booklets to enhance the use of illicit drugs. Some 30,000 such shops were estimated to be doing business throughout the Nation by 1978.

(6) In the absence of Federal funding for drug education then, most of the drug education materials that were available proclaimed that few illicit drugs were addictive and most were ''less harmful'' than alcohol and tobacco and therefore taught young people how to use marijuana, cocaine, and other illicit drugs ''responsibly''.

(7) Between 1977 and 1980, three national parent drug-prevention organizations—National Families in Action, PRIDE, and the National Federation of Parents for Drug-Free Youth (now called the National Family Partnership)—emerged to help concerned parents form some 4,000 local parent prevention groups across the Nation to reverse all of these trends in order to prevent children from using drugs. Their work created what has come to be known as the parents drug-prevention movement, or more simply, the parent movement. This movement set three goals: to prevent the use of any illegal drug, to persuade those who had started using drugs to stop, and to obtain treatment for those who had become addicted so that they could return to drug-free lives.

(8) The parent movement pursued a number of objectives to achieve these goals. First, it helped parents educate themselves about the harmful effects of drugs, teach that information to their children, communicate that they expected their children not to use drugs, and establish consequences if children failed to meet that expectation. Second, it helped parents form groups with other parents to set common age-appropriate social and behavioral guidelines to protect their children from exposure to drugs. Third, it encouraged parents to insist that their communities reinforce parents' commitment to protect children from drug use.

(9) The parent movement stopped further efforts to decriminalize marijuana, both in the states and at the Federal level.

(10) The parent movement worked for laws to ban the sale of drug paraphernalia. If drugs were illegal, it made no sense to condone the sale of toys and implements to enhance the use of illegal drugs, particularly when those products targeted children. As towns, cities, counties, and states passed anti-paraphernalia laws, drug legalization organizations challenged their Constitutionality in Federal courts until the early 1980's, when the United States Supreme Court upheld Nebraska's law and established the right of communities to ban the sale of drug paraphernalia.

(11) The parent movement insisted that drug-education materials convey a strong no-use message in compliance with both the

law and with medical and scientific information that demonstrates that drugs are harmful, particularly to young people.

(12) The parent movement encouraged others in society to join the drug prevention effort and many did, from First Lady Nancy Reagan to the entertainment industry, the business community, the media, the medical community, the educational community, the criminal justice community, the faith community, and local, State, and national political leaders.

(13) The parent movement helped to cause drug use among young people to peak in 1979. As its efforts continued throughout the next decade, and as others joined parents to expand the drug-prevention movement, between 1979 and 1992 these collaborative prevention efforts contributed to reducing monthly illicit drug use by two-thirds among adolescents and young adults and reduced daily marijuana use among high-school seniors from 10.7 percent to 1.9 percent. Concurrently, both the parent movement and the larger prevention movement that evolved throughout the 1980's, working together, increased high school seniors' belief that marijuana could hurt them, from 35 percent in 1979 to 79 percent in 1991.

(14) Unfortunately, as drug use declined, most of the 4,000 volunteer parents groups that contributed to the reduction in drug use disbanded, having accomplished the job they set out to do. But the absence of active parent groups left a vacuum that was soon filled by a revitalized drug-legalization movement. Proponents began advocating for the legalization of marijuana for medicine, the legalization of all Schedule I drugs for medicine, the legalization of hemp for medicinal, industrial and recreational use, and a variety of other proposals, all designed to ultimately attack, weaken, and eventually repeal the Nation's drug laws.

(15) Furthermore, legalization proponents are also beginning to advocate for treatment that maintains addicts on the drugs to which they are addicted (heroin maintenance for heroin addicts, controlled drinking for alcoholics, etc.), for teaching school children to use drugs ''responsibly,'' and for other measures similar to those that produced the drug epidemic among young people in the 1970's.

(16) During the 1990's, the message embodied in all of this activity has once again driven down young people's belief that drugs can hurt them. As a result, the reductions in drug use that occurred over 13 years reversed in 1992, and adolescent drug use has more than doubled.

(17) Today's parents are almost universally in the workplace and do not have time to volunteer. Many families are headed by single parents. In some families no parents are available, and grandparents, aunts, uncles, or foster parents are raising the family's children.

(18) Recognizing that these challenges make it much more difficult to reach parents today, several national parent and family drug-prevention organizations have formed the Parent Collaboration to address these issues in order to build a new parent and family movement to prevent drug use among children.

(19) Motivating parents and parent groups to coordinate with local community anti-drug coalitions is a key goal of the Parent Collaboration, as well as coordinating parent and family drug-prevention efforts with Federal, State, and local governmental and private agencies and political, business, medical and scientific, educational, criminal justice, religious, and media and entertainment industry leaders.

SEC. 3103. PURPOSES.

The purposes of this subtitle are to—

(1) build a movement to help parents and families prevent drug use among their children and adolescents;

(2) help parents and families reduce drug abuse and drug addiction among adolescents who are already using drugs, and return them to drug-free lives;

(3) increase young people's perception that drugs are harmful to their health, well-being, and ability to function successfully in life;

(4) help parents and families educate society that the best way to protect children from drug use and all of its related problems is to convey a clear, consistent, no-use message;

(5) strengthen coordination, cooperation, and collaboration between parents and families and all others who are interested in protecting children from drug use and all of its related problems;

(6) help parents strengthen their families, neighborhoods, and school communities to reduce risk factors and increase protective factors to ensure the healthy growth of children; and

(7) provide resources in the fiscal year 2000 Federal drug control budget for a grant to the Parent Collaboration to conduct a national campaign to mobilize today's parents and families through the provision of information, training, technical assistance, and other services to help parents and families prevent drug use among their children and to build a new parent and family drug-prevention movement.

SEC. 3104. DEFINITIONS.

In this subtitle:

(1) ADMINISTRATIVE COSTS.—The term ''administrative costs'' means to those costs that the assigned Federal agency will incur to administer the grant to the Parent Collaboration.

(2) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Drug Enforcement Administration.

(3) NO-USE MESSAGE.—The term ''no-use message'' means no use of any illegal drug and no illegal use of any legal drug or substance that is sometimes used illegally, such as prescription drugs, inhalants, and alcohol and tobacco for children and adolescents under the legal purchase age.

(4) PARENT COLLABORATION.—The term ''Parent Collaboration'' means the legal entity, which is exempt from income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, established by National Families in Action, National Asian Pacific American Families Against Substance Abuse, African American Parents for Drug Prevention, National Association for Native American Children of Alcoholics, and the National Hispano/Latino Community Prevention Network and other groups, that—

(A) have a primary mission of helping parents prevent drug use, drug abuse, and drug addiction among their children, their families, and their communities;

(B) have carried out this mission for a minimum of 5 consecutive years; and

(C) base their drug-prevention missions on the foundation of a strong, no-use message in compliance with international, Federal, State, and local treaties and laws that prohibit the possession, production, cultivation, distribution, sale, and trafficking in illicit drugs;

in order to build a new parent and family movement to prevent drug use among children and adolescents

SEC. 3105. ESTABLISHMENT OF DRUG-FREE FAMILIES SUPPORT PROGRAM.

(a) IN GENERAL.—The Administrator shall make a grant to the Parent Collaboration to conduct a national campaign to build a new parent and family movement to help parents and families prevent drug abuse among their children.

(b) TERMINATION.—The period of this grant under this section shall be 5 years.

SEC. 3106. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to to carry out this subtitle $5,000,000 for each of fiscal years 2000 through 2004 for a grant to the Parent Collaboration to conduct the national campaign to mobilize parents and families.

(b) ADMINISTRATIVE COSTS.—Not more than 5 percent of the total amount made available under subsection (a) in each fiscal year may be used to pay administrative costs of the Parent Collaboration.

TITLE IV—FUNDING FOR UNITED STATES COUNTER-DRUG ENFORCEMENT AGENCIES

SEC. 4001. AUTHORIZATION OF APPROPRIATIONS.

(a) DRUG ENFORCEMENT AND OTHER NON-COMMERCIAL OPERATIONS.—Subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)) are amended to read as follows:

''(A) $997,300,584 for fiscal year 2000.

''(B) $1,100,818,328 for fiscal year 2001.''.

(b) COMMERCIAL OPERATIONS.—Clauses (i) and (ii) of section 301(b)(2)(A) of such Act (19 U.S.C. 2075(b)(2)(A)(i) and (ii)) are amended to read as follows:

''(i) $990,030,000 for fiscal year 2000.

''(ii) $1,009,312,000 for fiscal year 2001.''.

(c) AIR AND MARINE INTERDICTION.—Subparagraphs (A) and (B) of section 301(b)(3) of such Act (19 U.S.C. 2075(b)(3)(A) and (B)) are amended to read as follows:

''(A) $229,001,000 for fiscal year 2000.

''(B) $176,967,000 for fiscal year 2001.''.

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of such Act (19 U.S.C. 2075(a)) is amended by adding at the end the following:

''(3) Not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).''.

SEC. 4002. CARGO INSPECTION AND NARCOTICS DETECTION EQUIPMENT.

(a) FISCAL YEAR 2000.—Of the amounts made available for fiscal year 2000 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 4001(a) of this title, $100,036,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,000,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $12,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(S) $1,000,000 for a demonstration site for a high-energy relocatable rail car inspection system with an x-ray source switchable from 2,000,000 electron volts (2–MeV) to 6,000,000 electron volts (6–MeV) at a shared Department of Defense testing facility for a two-month testing period.

(2) UNITED STATES-CANADA BORDER.—For the United States-Canada border, the following:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(H) $600,000 for 30 fiber optic scopes.

(I) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(J) $3,000,000 for 10 x-ray vans with particle detectors.

(K) $40,000 for 8 AM loop radio systems.

(L) $400,000 for 100 vehicle counters.

(M) $1,200,000 for 12 examination tool trucks.

(N) $2,400,000 for 3 dedicated commuter lanes.

(O) $1,050,000 for 3 automated targeting systems.

(P) $572,000 for 26 weigh-in-motion sensors.

(Q) $480,000 for 20 portable Treasury Enforcement Communication Systems (TECS).

(3) FLORIDA AND GULF COAST SEAPORTS.—For Florida and the Gulf Coast seaports, the following:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) FISCAL YEAR 2001.—Of the amounts made available for fiscal year 2001 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 4001(a) of this title, $9,923,500 shall be for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2000 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 4001(a) of this title, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (Q) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (Q); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 4003. PEAK HOURS AND INVESTIGATIVE RESOURCE ENHANCEMENT.

Of the amounts made available for fiscal years 2000 and 2001 under subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)), as amended by section 4001(a) of this title, $159,557,000, including $5,673,600, until expended, for investigative equipment, for fiscal year 2000 and $220,351,000 for fiscal year 2001 shall be available for the following:

(1) A net increase of 535 inspectors, 120 special agents, and 10 intelligence analysts for the United States-Mexico border and 375 inspectors for the United States-Canada border, in order to open all primary lanes on such borders during peak hours and enhance investigative resources.

(2) A net increase of 285 inspectors and canine enforcement officers to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Mexico border and a net increase of 125 inspectors to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Canada border.

(3) A net increase of 40 inspectors at sea ports in southeast Florida to process and screen cargo.

(4) A net increase of 70 special agent positions, 23 intelligence analyst positions, 9 support staff, and the necessary equipment to enhance investigation efforts targeted at internal conspiracies at the Nation's seaports.

(5) A net increase of 360 special agents, 30 intelligence analysts, and additional resources to be distributed among offices that have jurisdiction over major metropolitan drug or narcotics distribution and transportation centers for intensification of efforts against drug smuggling and money laundering organizations.

(6) A net increase of 2 special agent positions to re-establish a Customs Attache office in Nassau.

(7) A net increase of 62 special agent positions and 8 intelligence analyst positions for maritime smuggling investigations and interdiction operations.

(8) A net increase of 50 positions and additional resources to the Office of Internal Affairs to enhance investigative resources for anticorruption efforts.

(9) The costs incurred as a result of the increase in personnel hired pursuant to this section.

SEC. 4004. AIR AND MARINE OPERATION AND MAINTENANCE FUNDING.

(a) FISCAL YEAR 2000.—Of the amounts made available for fiscal year 2000 under subparagraphs (A) and (B) of section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3) (A) and (B)) as amended by section 4001(c) of this title, $130,513,000 shall be available until expended for the following:

(1) $96,500,000 for Customs aircraft restoration and replacement initiative.

(2) $15,000,000 for increased air interdiction and investigative support activities.

(3) $19,013,000 for marine vessel replacement and related equipment.

(b) FISCAL YEAR 2001.—Of the amounts made available for fiscal year 2001 under subparagraphs (A) and (B) of section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3) (A) and (B)) as amended by section 4001(c) of this title, $75,524,000 shall be available until expended for the following:

(1) $36,500,000 for Customs Service aircraft restoration and replacement.

(2) $15,000,000 for increased air interdiction and investigative support activities.

(3) $24,024,000 for marine vessel replacement and related equipment.

SEC. 4005. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 2000 and 2001 covering each program activity set forth in the budget of the United States Customs Service, as

required under section 1115 of title 31, United States Code, the Commissioner of Customs shall establish performance goals and performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to sections 1002 and 1003 of this title.

SEC. 4006. COMMISSIONER OF CUSTOMS SALARY.

(a) IN GENERAL.—

(1) Section 5315 of title 5, United States Code, is amended by striking the following item:

''Commissioner of Customs, Department of Treasury.''.

(2) Section 5314 of title 5, United States Code, is amended by inserting the following item:

''Commissioner of Customs, Department of Treasury.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal year 2000 and thereafter.

SEC. 4007. PASSENGER PRECLEARANCE SERVICES.

(a) CONTINUATION OF PRECLEARANCE SERVICES.—Notwithstanding section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) or any other provision of law, the Customs Service shall, without regard to whether a passenger processing fee is collected from a person departing for the United States from Canada and without regard to whether funds are appropriated pursuant to subsection (b), provide the same level of enhanced preclearance customs services for passengers arriving in the United States aboard commercial aircraft originating in Canada as the Customs Service provided for such passengers during fiscal year 1997.

(b) AUTHORIZATION OF APPROPRIATIONS FOR PRECLEARANCE SERVICES.—Notwithstanding section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) or any other provision of law, there are authorized to be appropriated, from the date of enactment of this Act through September 30, 2001, such sums as may be necessary for the Customs Service to ensure that it will continue to provide the same, and where necessary increased, levels of enhanced preclearance customs services as the Customs Service provided during fiscal year 1997, in connection with the arrival in the United States of passengers aboard commercial aircraft whose flights originated in Canada.

Subtitle B—United States Coast Guard

SEC. 4101. ADDITIONAL FUNDING FOR OPERATION AND MAINTENANCE.

In addition to amounts to be appropriated for the United States Coast Guard for fiscal year 2000, there is authorized to be appropriated $100,000,000 for each of fiscal years 2000 and 2001 for operation and maintenance.

Subtitle C—Drug Enforcement Administration

SEC. 4201. ADDITIONAL FUNDING FOR COUNTERNARCOTICS AND INFORMATION SUPPORT OPERATIONS.

In addition to amounts to be appropriated for the Drug Enforcement Administration for fiscal year 2000, there is authorized to be appropriated $120,000,000 for fiscal year 2000 for counternarcotics and information support operations.

Subtitle D—Department of the Treasury

SEC. 4301. ADDITIONAL FUNDING FOR COUNTERDRUG INFORMATION SUPPORT.

In addition to the other amounts to be appropriated for the Department of the Treasury for fiscal year 2000, there is authorized to be appropriated $50,000,000 for each of the fiscal years 2000 and 2001 for counternarcotics, information support, and money laundering efforts.

Subtitle E—Department of Defense

SEC. 4401. ADDITIONAL FUNDING FOR EXPANSION OF COUNTERNARCOTICS ACTIVITIES.

In addition to other amounts to be appropriated for the Department of Defense for fiscal year 2000, there is authorized to be appropriated $200,000,000 for each of fiscal years 2000 and 2001 to be used to expand activities to stop the flow of illegal drugs into the United States.

SEC. 4402. FORWARD MILITARY BASE FOR COUNTERNARCOTICS MATTERS.

(a) The Secretary of the Air Force may acquire real property and carry out military construction projects in the amount of $300,000,000 to establish an air base, or air bases for use for support of counternarcotics operations in the areas of the southern Caribbean Sea, northern South America, and the eastern Pacific Ocean, to be located in Latin America or the area of the Caribbean Sea, or both.

(b) There is authorized to be appropriated such sums as may be necessary for fiscal year 2000, and any succeeding fiscal year, for military construction and land acquisition for an airbase referred to subsection (a).

SEC. 4403. EXPANSION OF RADAR COVERAGE AND OPERATION IN SOURCE AND TRANSIT COUNTRIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Department of Defense for fiscal year 2000, $100,000,000 for purposes of the procurement of a Relocatable Over the Horizon Radar (ROTHR) to be located in South America.

(b) AUTHORIZATION TO LOCATE.—The Relocatable Over the Horizon Radar procured pursuant to the authorization of appropriations in subsection (a) may be located at a location in South America that is suitable for purposes of providing enhanced radar coverage of narcotics source zone countries in South America.

SEC. 4404. SENSE OF CONGRESS REGARDING FUNDING UNDER WESTERN HEMISPHERE DRUG ELIMINATION ACT.

(a) FINDINGS.—Congress makes the following findings:

(1) Teenage drug use in the United States has doubled since 1993.

(2) The drug crisis facing the United States poses a paramount threat to the national security interests of the United States.

(3) The trans-shipment of illicit drugs through United States borders cannot be halted without an effective drug interdiction strategy.

(4) The Clinton Administration has placed a low priority on efforts to reduce the supply of illicit drugs, and the seizure of such drugs by the Coast Guard and other Federal agencies has decreased, as is evidenced by a 68 percent decrease in the pounds of cocaine seized by such agencies between 1991 and 1996.

(5) The Western Hemisphere Drug Elimination Act was enacted into law on October 19, 1998.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should allocate funds appropriated for fiscal year 1999 pursuant to the authorizations of appropriations for that fiscal year in the Western Hemisphere Drug Elimination Act in order to carry out fully the purposes of that Act during that fiscal year; and

(2) the President should include with the budgets for fiscal years 2000 and 2001 that are submitted to Congress under section 1105 of title 31, United States Code, a request for funds for such fiscal years in accordance with the authorizations of appropriations for such fiscal years in that Act.

SEC. 4405. SENSE OF CONGRESS REGARDING THE PRIORITY OF THE DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

It is the sense of Congress that the Secretary of Defense should revise the Global Military Force Policy of the Department of Defense in order—

(1) to treat the international drug interdiction and counterdrug activities of the Department as a military operation other than war, thereby elevating the priority given such activities under the Policy to the next priority below the priority given to war under the Policy and to the same priority given to peacekeeping operations under the Policy; and

(2) to allocate the assets of the Department to such activities in accordance with the priority given such activities under the revised Policy.

Mr. GRASSLEY. Mr. President, the most recent High School survey of teen drug use tells us something. After years of dramatic increases in drug use among 12–18 years old, we may have a leveling off. The numbers are down, but only barely. At this rate of decline, we will reach the modest goals for drug reduction set by the present Administration in the year 2050. The Administration seems to find this good news. At least, they find the present leveling off something to crow about. Frankly, I think these numbers are the occasion for a little more modesty and whole lot more work.

That's what the Congress has been doing. The 105th Congress passed major legislation to fight drugs. It put more money and more muscle into efforts that the Administration has ignored or downgraded. We did this because we saw the consequences—more teen drug use. Today, we continue that effort. Our goal is not to claim bragging rights about statistically minor changes but to make real changes through serious efforts. Today, we introduced the ''Drug Free Century Act.'' This is a comprehensive bill that will be one of the main agenda items for the 106th Congress. It gives us the means to build on what we did last Congress. It gives us the beef that the Administration has left out to put in the sandwich.

More important, this bill provides resources to sustain a comprehensive effort and a coherent policy. In this bill, we provide the means to support our national and international law enforcement efforts. We provide the resources to help families and communities get and remain drug free. We support treatment and education. In short, we build on success and extend our ability to do yet more.

This bill represents the kind of comprehensive approach that I have pushed

for. It gives us the tools to do the job. More important, it provides the focus and sustained attention that we need to do the job. We have a lot of work ahead of us. It is not going to be easy. But we will be better equipped and more able to do the job.

By Mr. DASCHLE (for himself, Mr. KENNEDY, Mrs. BOXER, Mr. DODD, Mr. DORGAN, Mr. EDWARDS, Mr. CLELAND, Mr. REID, Mr. DURBIN, Mrs. MURRAY, Mr. AKAKA, Mr. WYDEN, Mr. HARKIN, Ms. MIKULSKI, Mr. LEAHY, Mr. REED, Mr. SARBANES, Mr. WELLSTONE, Mrs. FEINSTEIN, Mr. BYRD, Mr. ROCKEFELLER, Mr. KERRY, Mr. TORRICELLI, Mr. BINGAMAN, Mr. BRYAN, Mr. JOHNSON, Mr. LAUTENBERG, Mr. SCHUMER, Mr. INOUYE, Mr. HOLLINGS, and Mr. LEVIN):

S. 6. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Health, Education, Labor, and Pensions.

THE PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, today, we renew the battle in Congress to enact a strong Patients' Bill of Rights to protect American families from abuses by HMOs and managed care health plans that too often put profits over patients' needs.

Our Patients' Bill of Rights will protect families against the arbitrary and self-serving decisions that can rob average citizens of their savings and their peace of mind, and often their health and their very lives. Doctors and patients should be making medical decisions, not insurance company accountants. Too often, managed care is mismanaged care. For the millions of Americans who rely on health insurance to protect them and their loved ones when serious illness strikes, the Patients Bill of Rights is truly a matter of life and death.

The dishonor roll of those victimized by insurance company abuses is long and growing.

A baby loses his hands and feet because his parents believe they have to take him to a distant hospital emergency room covered by their HMO, rather than to the hospital closest to their home.

A Senate aide suffers a devastating stroke, which might have been far milder if her HMO had not refused to send her to an emergency room. The HMO now even refuses to pay for her wheelchair.

A woman is forced to undergo a mastectomy as an outpatient, instead of with a hospital stay as her doctor recommends. She is sent home in pain, with tubes still dangling from her body.

A doctor is punished by being denied future referrals under a managed care health plan, because he told a patient about an expensive treatment that could save her life.

The parents of a child suffering from a rare cancer are told that life-saving surgery should be performed by an unqualified doctor who happens to be on the plan's list, rather than by a specialist at the nearby cancer center equipped to perform the operation.

A patient with a fatal cancer is denied participation in a clinical trial that could save her life.

Our Patients' Bill of Rights addresses all of these problems. It takes insurance company accountants out of the practice of medicine and returns decision-making to patients and doctors, where it belongs.

The bottom line is that our program guarantees people the rights that every honorable insurance company already grants—and provides an effective, timely means to enforce these rights. These protections are common-sense components of good health care that every family believes they were promised when they purchased health insurance and paid their premiums.

Virtually all of the patients' protections in this legislation are already available under Medicare. They have been recommended by the National Association of Insurance Commissioners and the President's Advisory Commission. They have even been proposed as voluntary standards by the managed care industry itself through its trade association.

Our Patients' Bill of Rights is a responsible and effective answer to the widespread problems that patients and their families face every day. It is supported by a broad and diverse coalition of doctors, nurses, patients, and advocates for children, women, and working families, including the American Medical Association, the Consortium of Citizens with Disabilities, the American Cancer Society, the American Heart Association, the National Alliance for the Mentally Ill, the National Partnership for Women and Families, the National Association of Children's Hospitals, and the AFL–CIO, to name just a few of the more than 180 groups endorsing our bill.

It is rare for such a broad and diverse coalition to come together in support of legislation. But they have done so to end these flagrant abuses that hurt so many families.

Every family in this country knows that it will some day have to confront the challenge of serious illness for a parent, or a grandparent, or a child. When that day comes, all of us want the best possible medical care for our loved ones. Members of the Senate deserve good medical care for their loved ones—and we generally get it. Every other family is equally deserving of high quality care—but too often they do not get it because their insurance plan is more interested in profits than patients.

The Patients' Bill of Rights provides simple justice and basic protection for each of the 160 million Americans with private insurance who will benefit from this legislation. We will continue to fight for meaningful patient protections until they are signed into law. We will not give up this struggle until every family can be confident that a child or parent or grandparent who is ill will receive the best care that American medicine can provide.

By Mr. DASCHLE (for himself, Mr. LEAHY, Mr. BIDEN, Mr. KENNEDY, Mr. TORRICELLI, Mr. SCHUMER, Mr. DORGAN, Mr. KERRY, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. BREAUX, Mr. DURBIN, and Mr. BINGAMAN):

S. 9. A bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes; to the Committee on the Judiciary.

THE SAFE SCHOOLS, SAFE STREETS, AND SECURE BORDERS ACT OF 1999

Mr. LEAHY. Mr. President, in September 1998, I introduced, with the support of Senator DASCHLE and several other Democratic Senators, a comprehensive crime bill, S. 2484, and am pleased today to join in introducing an updated version of that bill, the Safe Schools, Safe Streets, and Secure Borders Act of 1999. A number of provisions from S. 2484 were enacted last year and it is my hope that this new bill, S. 9, will have similar success.

The Safe Schools, Safe Streets, and Secure Borders Act of 1999, S. 9, is designed to keep our Nation's crime rates moving in the right direction—downward. This bill builds on prior Democratic crime initiatives, including the landmark Violent Crime Control and Law Enforcement Act of 1994, that have reduced violent crime rates by 21 percent over the past five years. Property crime rates have also fallen by more than 20 percent since 1993. The Nation's serious crime rates are now at their lowest level since 1973, the first year the national crime victimization survey was conducted. We are proud of the significant reduction in crime rates, but we must not become complacent. Too many Americans still encounter violence in their neighborhoods, workplaces, and unfortunately, even in their homes. This bill would ensure that the crime rates continue their downward trend next year, the year after, and beyond.

The Safe Schools, Safe Streets, and Secure Borders Act builds on the successful programs we implemented in the 1994 Crime Law while also addressing emerging crime problems. The bill

is comprehensive and realistic. The new program initiatives are also funded without downsizing other Federal programs or touching any projected Federal budget surplus, but instead by extending the Violent Crime Reduction Trust Fund for two more years.

I am optimistic that we can enact this bill, without partisan or ideological controversy. In fact, the bill contains a number of initiatives that enjoy bipartisan support. We have tried to avoid the easy rhetoric about crime that some have to offer in this crucial area of public policy. Instead, we have crafted a bill that could actually make a difference.

The Safe Schools, Safe Streets, and Secure Borders Act targets violent crime in our schools, reforms the juvenile justice system, combats gang violence, cracks down on the sale and use of illegal drugs, enhances the rights of crime victims, and provides meaningful assistance to law enforcement officers in the battle against street crime, international crime and terrorism. It also authorizes funding to deploy 25,000 additional police officers on the streets in the coming years. The Act represents an important next step in the continuing effort by Senate Democrats to enact tough yet balanced reforms to our criminal justice system.

The bill has nine comprehensive titles to address crime in our schools, crime on our streets, and crime on our borders and abroad. I should note that the bill contains no new death penalties and no new or increased mandatory minimum sentences. We can be tough without imposing the death penalty, and we can ensure swift and certain punishment without removing all discretion from the judge at sentencing.

Title I of the bill deals with proposals for combating violence in the schools and punishing juvenile crime. This title provides technical assistance to schools, reforms the Federal juvenile system, assists States in prosecuting and punishing juvenile offenders and reduces juvenile crime, while also protecting children from violence, including violence from the misuse of guns.

Assistance to Schools. Americans were dismayed and grief-stricken at the school shootings across the country last year. While homicides at American schools have remained relatively constant in recent years, the number of students who have experienced a violent crime in school increased 23 percent in 1995 compared to 1989. We need to make sure our children attend school in a safe environment that fosters learning, not fear.

In response to these concerns, this bill contains an inventive proposal developed by Senator BINGAMAN to establish a School Security Technology Center using expertise from the Sandia National Labs, and provides grants from the Safe and Drug Free Schools Program to enable schools to access technical assistance for school security.

Federal Prosecution of Serious and Violent Juvenile Offenders. The bill would also make important reforms to the Federal juvenile system, without federalizing run-of-the-mill juvenile offenses or ignoring the traditional prerogative of the States to handle the bulk of juvenile crime. One of the significant flaws in the Republican juvenile crime bills last year was that they would have—in the words of Chief Justice Rehnquist—''eviscerate[d] this traditional deference to State prosecutions, thereby increasing substantially the potential workload of the federal judiciary.'' The Chief Justice has repeatedly raised concerns about ''federalizing'' more crimes and in his 1998 Year-End Report of the Federal Judiciary noted that ''Federal courts were not created to adjudicate local crimes, no matter how sensational or heinous the crimes may be. State courts do, can, and should handle such problems.'' The Democratic proposals for reform of the Federal juvenile justice system heed this sound advice and respect our Federal system.

Among other reforms, the Safe Schools, Safe Streets, and Secure Borders Act would allow Federal prosecution of juveniles only when the Attorney General certifies that the State cannot or will not exercise jurisdiction, or when the juvenile is alleged to have committed a violent, drug or firearm offense.

Prosecutors would be given sole, nonreviewable authority to prosecute as adults 16- and 17-year-olds who are alleged to have committed the most serious violent and drug offenses. Limited judicial review is provided for prosecutors' decisions to try as adults 13-, 14-, and 15-year-old juveniles, and those 16- and 17-year-olds who are charged with less serious Federal offenses.

Assistance to States for Prosecuting and Punishing Juvenile Offenders, and Reducing Juvenile Crime. The bill authorizes grants to the States for incarcerating violent and chronic juvenile offenders (with each qualifying State getting at least one percent of available funds), and provides graduated sanctions, reimburses States for the cost of incarcerating juvenile alien offenders, and establishes a pilot program to replicate successful juvenile crime reduction strategies.

Protecting Children from Violence. The bill contains important initiatives to protect children from violence, including violence resulting from the misuse of guns. Americans want concrete proposals to reduce the risk of such incidents recurring. At the same time, we must preserve adults' rights to use guns for legitimate purposes, such as home protection, hunting and for sport.

The bill imposes a prospective gun ban for juveniles convicted or adjudicated delinquent for violent crimes. It also requires revocation of a firearms dealer's license for failing to have secure gun storage or safety devices available for sale with firearms. The bill enhances the penalty for possessing a firearm during the commission of a crime of violence or drug offense and for violation of certain firearm laws involving juveniles. In addition, the bill authorizes competitive grant programs for the establishment of juvenile gun courts and youth violence courts.

Title II of the bill addresses the problem of gang violence which has spread from our cities into rural areas of this country. According to the Department of Justice, more than 846,000 gang members belong to 31,000 youth gangs in the United States, and the numbers are growing.

This part of the bill cracks down on gangs by making the interstate ''franchising'' of street gangs a crime. It will also increase penalties for crimes during which the convicted felon wears protective body armor or uses ''laser-sighting'' devices to commit the crime. The bill doubles the criminal penalties for using or threatening physical violence against witnesses and contains other provisions designed to facilitate the use and protection of witnesses to help prosecute gangs and other violent criminals. The Act also provides funding for law enforcement agencies in communities designated by the Attorney General as areas with a high level of interstate gang activity.

Title III of the bill sets forth a number of initiatives in nine subtitles to combat violence in the streets. The Safe Schools, Safe Streets, and Secure Borders Act continues successful initiatives in the 1994 Crime Act by putting more police officers on our streets, providing for the construction of more prisons, preventing juvenile felons from buying handguns, and assisting law enforcement and community groups in better protecting women and children from domestic violence. Specifically, the bill would extend COPS funding into 2001 and 2002 (which should lead to at least 25,000 more officers on the streets); establish a state minimum of .75 percent for Truth-in-Sentencing grants and extend this program and the Violent Offender Incarceration prison grant program into 2001 and 2002; and extend authorization for the Violence Against Women Act (VAWA) funding and local law enforcement grant programs.

A significant problem that arose last year was the loss of confidentiality that had previously attached to the important work of the U.S. Secret Service. The Departments of Justice and Treasury and even a former Republican President advise that the safety of future Presidents may be jeopardized by forcing U.S. Secret Service agents to breach the confidentiality they need to do their job by testifying before a

grand jury. I trust the Secret Service on this issue; they are the experts with the mission of protecting the lives of the President and other high-level elected official and visiting dignitaries. I also have confidence in the judgment of former President Bush, who has written, ''I feel very strongly that [Secret Service] agents should not be made to appear in court to discuss that which they might or might not have seen or heard.''

The Safe Schools, Safe Streets, and Secure Borders Act provides a reasonable and limited protective function privilege so future Secret Service agents are able to maintain the confidentiality they say they need to protect the lives of the President, Vice President and visiting heads of state.

This title of the bill also includes a number of provisions to address the following matters:

Domestic violence: In addition to extending authorized funding for the Violence Against Women Act, the bill would punish attempts to commit interstate domestic violence, expand the interstate domestic violence offense to cover intimidation, and punish interstate travel with the intent to kill a spouse.

Protecting Law Enforcement and the Judiciary: The Act recognizes that law enforcement officers put their lives on the line every day. According to the FBI, over 1,000 officers have been killed in the line of duty since 1980. The Safe Schools, Safe Streets, and Secure Borders Act contains provisions to protect the lives of our law enforcement officers by extending the Bulletproof Vest Partnership grant program through 2004. It also establishes new crimes and increases penalties for killing federal officers and persons working with federal officers, including in their work with federal prisoners, and for retaliation against federal officials by threatening or injuring their family members. The Act enhances the penalty for assaults and threats against Federal judges and other federal officials engaged in their official duties.

Cargo/Property Theft: The bill also contains an important initiative proposed by Senator LAUTENBERG to deter cargo thefts.

Sentencing Improvements: This subtitle doubles the maximum penalty for manslaughter from 10 to 20 years, consistent with the Sentencing Commission's recommendation, applies the sentencing guidelines to all pertinent federal statutes (such as criminal prohibitions in statutes outside titles 18 and 21 of the United States Code), and other improvements.

Civil Liberties: The bill includes the ''Hate Crimes Prevention Act,'' which was originally introduced by Senator KENNEDY and has the strong bipartisan support of over twenty Members, and other initiatives designed to bolster support for enforcement of civil rights.

National Drunk Driving Standard: The bill includes a provision sponsored by Senator LAUTENBERG which requires States to establish a .08 alcohol standard for driving while intoxicated by 2002 or risk losing a portion of their federal highway funds.

Title IV of the bill outlines a number of prevention programs that are critical to further reducing juvenile crime. These programs include grants to youth organizations and ''Say No to Drugs'' Community Centers, as well as reauthorization of the Runaway and Homeless Youth Act, Anti-Drug Abuse Programs and Local Delinquency Prevention Programs. Additional sections include a program suggested by Senator BINGAMAN to establish a competitive grant program to reduce truancy, with priority given to efforts to replicate successful programs.

The bill would also reauthorize the Juvenile Justice and Delinquency Prevention Act (JJDPA) in a similar fashion to H.R. 1818, a bill passed by the House with strong bipartisan support in the last Congress. This section creates a new juvenile justice block grant program and retains the four core protections for youth in the juvenile justice system, while adopting greater flexibility for rural areas.

Last year, the Senate Republicans tried to gut these core protections in their juvenile crime bill, S. 10. This Democratic crime bill puts ideology aside, and follows the advice of numerous child advocacy experts—including the Children's Defense Fund, National Collaboration for Youth, Youth Law Center and National Network for Youth—who believe these key protections must be preserved in order to protect juveniles who have been arrested or detained. These core protections ensure that juveniles are not housed with adults, do not have verbal or physical contact with adult inmates, and any disproportionate confinement of minority youth is addressed by the States. If these protections are abolished, many more youth may end up committing suicide or being released with serious physical or emotional scars.

Title V of the bill contains five subtitles on combating illegal drug use. Illegal drugs are too often at the heart of crime. This Act would protect our children by increasing penalties for selling drugs to kids and drug trafficking in or near schools, and cracking down on ''club drugs.'' It goes a step further and encourages pharmacotherapy research to develop medications for the treatment of drug addiction, a proposal Senator BIDEN has urged. It also funds drug courts, which subject eligible drug offenders to programs of intensive supervision.

Title VI of the bill is intended to increase the rights of victims within the criminal justice system. The criminal is only half of the equation. This bill guarantees the rights of crime victims. All States recognize victims' rights in some form, but they often lack the training and resources to make those rights a reality. This bill provides a model Bill of Rights for crime victims in the federal system, and makes available to the States grants to fund the hiring of State and Federal victim-witness advocates, training, and the technology necessary for model notification systems. This bill would help make victims' rights a reality.

Specifically, this title reforms Federal law and evidence to enhance victims' participation in all stages of criminal proceedings by giving victims' a right to notice of detention hearings, plea agreements, sentencing, probation revocations, escapes or releases from prison, and to allocution at hearings, as well as grants for obtaining state-of-the-art systems for providing notice. In addition, this title would provide grant programs to study the effectiveness of the restorative justice approach for victims.

Title VII of the bill of details provisions for combating money laundering. Crime increasingly has an international face, from drug kingpins to millionaire terrorists, like Usama bin Laden. The money laundering provisions of this bill hit these international criminals where it hurts most—in the pocketbook.

These provisions would provide important tools not just to combat international terrorism but drug trafficking as well. We must have interdiction, we must have treatment programs; we must tell kids to say ''No'' to drugs. But we have to do more, and taking the profit away from international drug lords is an effective weapon. This Democratic crime bill would strengthen these laws.

FBI Director Freeh testified last year before the Senate Judiciary Committee that enhanced money laundering provisions would be an important tool against the likes of international terrorists, such as bin Laden. Director Freeh praised the following provisions set forth in this title of the bill.

Fugitive Disentitlement to stop drug kingpins, terrorists and other international fugitives from using our courts to fight to keep the proceeds of the very crimes for which they are wanted. Criminals should not be able to use our courts to their benefit at the same time they are evading our laws.

Immediate seizure of U.S. assets of foreign criminals, so terrorists and drug lords will not be able to keep their money one step ahead of the law enforcement.

Limits on Foreign Bank Secrecy to stop criminals from hiding behind foreign bank secrecy laws while they use U.S. courts.

These and other money laundering provisions in the bill should find bipartisan support for quick passage before the end of this Congress.

Title VIII sets forth important proposals for combating international crime. In particular, the bill would punish violent crimes or murder against American citizens abroad, deny safe havens to international criminals by strengthening extradition, promote cooperation with foreign governments on sharing witnesses and evidence, and streamline the prosecution of international crimes in U.S. courts. Provisions include:

Giving the FBI authority to investigate and prosecute the murder or extortion of U.S. citizens and state and local officials involved in federally-sponsored programs abroad;

Providing for extradition under certain circumstances for offenses not covered in a treaty or absent a treaty;

Giving the Attorney General authority to transfer and share witnesses with foreign governments, and obtain and use foreign evidence in criminals cases;

Prohibiting fugitives from benefitting from time served abroad fighting extradition;

Adding serious computer crimes as predicate offenses for which wiretaps may be authorized; and

Providing court order procedures for law enforcement access to stored information on computer networks.

Finally, Title IX contains provisions to strengthen the air, land and sea borders of this country. The bill would punish violence at the borders, increase authority of maritime law enforcement officers at the borders, increase penalties for smuggling contraband and other products, strengthen immigration laws to exclude fleeing felons, and persons involved in racketeering and arms trafficking. Specific sections include:

Punishing ''port-running,'' which is driving or crashing through Customs entry ports;

Sanctions for not cooperating with maritime law enforcement officers by obstructing lawful boarding requests and commands to ''heave to''; and

Denying admission into the U.S. of persons whom consular officials have reason to believe are involved in RICO acts, arms trafficking, or alien smuggling for profit, or are fleeing foreign prosecution.

The Safe Schools, Safe Streets, and Secure Borders Act is a comprehensive and realistic set of proposals for keeping our schools safe, our streets safe, our citizens safe when they go abroad, and our borders secure. I look forward to working on a bipartisan basis for passage of as much of this bill as possible during the 106th Congress.

By Mr. DASCHLE (for himself, Ms. MIKULSKI, Mr. CLELAND, Mr. HARKIN, Mr. SARBANES, Mr. KENNEDY, Mrs. BOXER, Mr. DURBIN, Mr. ROCKEFELLER, Mr. DODD, and Mr. BRYAN):

S. 10. A bill to provide health protection and needed assistance for older Americans, including access to health insurance for 55- to 65-year-olds, assistance for individuals with long-term care needs, and social services for older Americans; to the Committee on Finance.

THE DEMOCRATIC AGENDA FOR SENIOR CITIZENS

Mr. KENNEDY. Mr. President, I commend Senator DASCHLE for his leadership in making these vital health programs that mean so much to older Americans a central part of the Democratic agenda. Our proposal for Early Access to Medicare is a key part of these initiatives. It provides a lifeline for millions of Americans who are within a few years of the age of eligibility for Medicare and who have lost their health insurance coverage or fear that they will lose it. Our proposal also includes President Clinton's program to assist disabled senior citizens and their families—assistance that can mean the difference between institutionalization in a nursing home and the ability to remain in their own home. In addition, our proposal extends and strengthens the Older Americans Act, which provides valuable services for senior citizens, from ''Meals on Wheels'' to employment opportunities.

Providing early access to Medicare will offer help and hope to more than three million Americans aged 55 to 64 who have no health insurance today. They are too young for Medicare, and unable to obtain private coverage they can afford. Often, they are victims of corporate downsizing, or of a company's decision to cancel their health insurance.

In the past year, the number of the uninsured in this age group increased at a faster rate than other age groups. These Americans have been left out and left behind through no fault of their own—often after decades of hard work and reliable insurance coverage. It is time for Congress to provide a helping hand.

Many of these citizens have serious health problems that threaten to destroy the savings of a lifetime and that prevent them from finding or keeping a job. Even those without current health problems know that a single serious illness could wipe out their savings.

These uninsured Americans tend to be in poorer health than other members of their age group. Their health continues to deteriorate, the longer they remain uninsured. This unnecessary burden of illness is a preventable human tragedy. It adds to Medicare's long-term costs, because when these individuals turn 65, they join Medicare with greater and more costly needs for health care.

Even those with good coverage today can't be certain that it will be there tomorrow. No one nearing retirement can be confident that the health insurance they have today will protect them until they qualify for Medicare at 65.

Our proposal offers several types of assistance. Any uninsured American who is 62 or older can buy into Medicare. Over time, the participants will pay the full cost of the coverage, but to help keep premiums affordable, they can defer payment of part of the premiums until they turn 65 and Medicare starts to pay most of their health care costs. Once they turn 65, this deferred portion of the premium will be paid back at a modest monthly rate estimated at about $10 per month for each year of participation in the buy-in program.

In addition, individuals age 55–61 who lose their health insurance because they are laid off or because their company closes will also be able to buy into Medicare, but they will not qualify for the deferred premium. Also, people who have retired before age 65 with the expectation of employer-paid health insurance would be allowed to buy into the company's program for active workers if the company drops its retirement coverage before they are eligible for Medicare.

Our proposal is a lifeline for all these Americans. It is also a constructive step toward the day when every American will be guaranteed the fundamental right to health care.

In the past, opponents have waged a campaign of disinformation that this sensible plan is somehow a threat to Medicare. They are wrong—and the American people understand that they are wrong. Under our proposal, the participants themselves will ultimately pay the full cost of this new coverage. The modest short-term budget impact can be financed through savings obtained by reducing fraud and abuse in Medicare.

Every American should have the security and peace of mind of knowing that their final years in the workforce will not be haunted by the fear of devastating medical costs or the inability to meet basic medical needs. Uninsured Americans who are too young for Medicare but too old to purchase affordable private insurance coverage deserve our help—and we intend to see that they get it.

Additional assistance for the disabled is also very important. Few issues are more important to senior citizens and their families than how to care for a severely disable order person at home. No senior citizens who want to remain in their own homes should be forced to enter a nursing home. Children who want to take disabled parents into their own homes deserve support. The issue of caring for the severely disabled at home is not just a concern for senior citizens. No parent should be forced to place a disabled child in institutional care. No disabled citizen who wants to live independently and can do so should be denied that opportunity.

President Clinton's proposal is not a comprehensive solution to the problem

of financing needed long-term care. It will not end the enormous burdens that caregivers often assume. But it is an important and constructive step that will provide needed help to millions of families.

Under the proposal, disabled persons or their caregivers will be entitled to a tax credit of $1,000—far less than the total cost of caring for a disabled person, but still significant relief that can help buy a critical piece of equipment, pay for a period of respite care, or meet other unmet needs.

The proposal also creates a National Family Caregiver Support Program to develop community resources for counseling, respite care and other services, training in assisting persons with disabilities, and providing information about resources available to meet the needs of the disabled and their caregivers.

One of the most difficult aspects of caring for a disabled parent or child is not knowing where to turn for help, or finding that help is not available. This program will help to meet these needs.

Finally, the legislation extends and strengthens the Older Americans Act, a step that is long overdue. The Act provides essential services that assist senior citizens in every community. It supports 57 state agencies on aging, 660 area agencies, and 27,000 service providers who work with the elderly.

The Act is an essential source of nutrition for many low income and frail elderly. In FY 1996, more than 3 million older persons were served 238 million meals with funding from the Act. The Act supported transportation, assistance, home care, recreation and other important services provided by 6,400 senior centers. It funded more than 40 million rides and 15 million home care services to older persons. The Act also pays for training and research in the field of aging. It helps unemployed low-income older persons to find employment opportunities. And it provides protection and advocacy services for vulnerable senior citizens.

Elderly Americans and those nearing retirement have worked all their lives to build America. When they face basic needs for health care and long-term care, they deserve the best help that America can provide. These proposals are important and timely. They will make a very important difference in the lives of millions of our fellow citizens, and they deserve prompt enactment by the Congress.

By Mr. ABRAHAM:

S. 11. A bill for the relief of Wei Jingsheng; to the Committee on the Judiciary.

WEI JINGSHENG FREEDOM OF CONSCIENCE ACT

Mr. ABRAHAM. Mr. President, I rise today to seek my colleagues' support for the Wei Jingsheng Freedom of Conscience Act. This bill will grant lawful permanent residence to writer and philosopher Wei Jingsheng, one of the most heroic individuals the international human rights community has known. This bill passed the Senate by unanimous consent in 1998 but was not acted upon in the House before the end of last session.

Mr. President, when I first introduced this legislation I noted that, for years, Wei has stood up to an oppressive Chinese government, calling for freedom and democracy through speeches, writings, and as a prominent participant in the Democracy Wall movement. I also noted that his dedication to the principles we hold dear, and on which our nation was founded, brought him 15 years of torture and imprisonment at the hands of the Chinese communist regime. Seriously ill, Wei was released only after great international public outcry. Now essentially exiled, he lives in the United States on a temporary visa and cannot return to China without facing further imprisonment.

Now more than ever, Mr. President, I believe that granting Wei permanent residence will show that America stands by those who are willing to stand up for the principles we cherish. It also will help Wei in his continuing fight for freedom and democracy in China.

I would like to thank Senators FEINGOLD, ALLARD, and WELLSTONE for cosponsoring this bill. I should note also that this legislation has been endorsed by important human rights groups such as the Laogai Research Foundation and Human Rights in China, two organizations devoted, at great risk to their members and their members' families, to combating oppression in communist China.

I urge my colleagues to send a strong signal about America's commitment to human rights, human freedom, and the dignity of the individual by passing this bill to grant Wei Jingsheng lawful permanent residence in the United States.

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

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

S. 11

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

SECTION 1. PERMANENT RESIDENCE.

(a) SHORT TITLE.—This Act may be cited as the ''Wei Jingsheng Freedom of Conscience Act''.

(b) Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Wei Jingsheng shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Wei Jingsheng as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by one during the current fiscal year the total number of immigrant visas available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. MACK, Mr. ABRAHAM, Mr. COCHRAN, and Mr. COVERDELL):

S. 13. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

COLLEGIATE LEARNING AND STUDENT SAVINGS (CLASS) ACT

Mr. SESSIONS. Mr. President, I rise today to discuss the concept of prepaid tuition plans and why they are critically important to America's families.

As a parent who has put two children through college and who has another currently enrolled in college, I know first-hand that America's families are struggling to meet the rising costs of higher education. In fact, American families have already accrued more college debt in the 1990's than during the previous three decades combined.

The reason is twofold: the federal government subsidizes student debt with interest rate breaks and penalizes educational savings by taxing the interest earned on those savings.

In recent years, however, many families have tackled rising tuition costs by taking advantage of pre-paid college tuition and savings plans. These plans allow families to purchase tuition credits years in advance.

Mr. President, 39 states, like my home state of Alabama, along with a nationwide consortium of more than 100 private schools, have established these tuition savings and prepaid tuition plans. These plans are extremely popular with parents, students, and alumni. They make it easier for families to save for college, while at the same time taking the uncertainty out of the future cost of college.

Congress has supported participating families by expanding the scope of the pre-paid tuition plans and by deferring the taxes on the interest earned until the student goes off to college.

Mr. President, today, I along with Senators BOB GRAHAM, CONNIE MACK, PAUL COVERDELL, SPENCER ABRAHAM, and THAD COCHRAN are introducing ''The Collegiate Learning and Student Savings (CLASS) Act'', a common sense piece of legislation which could help more than 30 million students afford a college education.

The CLASS Act will make the interest earned on all education pre-paid plans completely tax-free.

Currently, the interest earned by families saving for college is taxed twice. Families are taxed on the income when they earn it, and then again on the interest that accrues from the savings.

On the other hand, the federal government subsidizes student loans by deferring interest payments until after graduation. It is no wonder that families are going heavily into debt and at the same time are struggling to save for college. We strongly believe that this trend must no longer continue.

In order to provide families a new alternative, The CLASS Act will provide tax-free treatment to all pre-paid savings plans.

This bipartisan piece of legislation is sound education and tax policy that provides incentives for savings rather than bureaucratic solutions. For a small cost, the CLASS Act will provide billions in potential savings to help families afford a college education.

Mr. President, many individuals have questioned whether these plans will benefit all types of students. Let me say this, it is wrong to assume that tuition savings and prepaid plans benefit mainly the wealthy. In fact, the track record of existing state pre-paid plans indicates that working, middle-income families, not the rich, benefit the most from pre-paid plans.

For example, families with an annual income of less than $35,000 purchased 62 percent of the prepaid tuition contracts sold by the State of Pennsylvania in 1996. And the average monthly contribution to a family's college savings account during 1995 in Kentucky was $43.

Tax free treatment for prepaid tuition plans must become law. The federal government can no longer subsidize student debt with interest rate breaks and penalize educational savings by taxing the interest earned by families who are desperately trying to save for college. If these goals are achieved, the federal government would no longer be penalizing families for saving but rather be providing families with help they need to meet the cost of college through savings rather than through debt.

Mr. President, this legislation has received a tremendous amount of support from the colleges and universities, higher education associations, as well as several public policy think tanks. These include: The Career College Association, the National Association of Independent Colleges and Universities, the American Council on Education, the State of Virginia's Prepaid Education Program, The Heritage Foundation and Citizens for a Sound Economy.

The idea of tax-free treatment for prepaid tuition plans has also been endorsed by the Washington Post, Time Magazine, and the Birmingham News.

Mr. President, in particular, I would like to call my colleagues attention to a September 25, 1998 Heritage Foundation report, authored by Rea Hederman, a Research Analyst in the Domestic Policy Department at Heritage. This shows that over 30 million children stand to benefit from expanded education savings accounts and tuition prepayment plans. I'd encourage my colleagues to review the Heritage report, which breaks down these numbers by both State and Congressional district.

Mr. President, I would also like to ask that a copy of this report be printed in the RECORD at the conclusion of my remarks.

I would also like to acknowledge the efforts of my good friend Congressman JOE SCARBOROUGH, who has introduced the House companion to the CLASS Act, H.R. 254.

Mr. President, the time to act is now. I encourage my colleagues to push for this common sense piece of legislation. This Congress should call on the leadership of both Houses, to make this legislation, which cold help more than 30 million students afford a college education, a part of any tax bill we consider this year.

Mr. President, I ask unanimous consent that a report and letters of support be printed in the RECORD.

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

NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES,
August 25, 1998.

Hon. JEFF SESSIONS,
U.S. Senate, Washington, DC.

DEAR SENATOR SESSIONS: On behalf of the over 900 independent colleges and universities that make up the National Association of Independent Colleges and Universities, I want to express our support for your continued efforts to allow private colleges and universities to establish prepaid tuition plans that would enjoy the same tax treatment and preferences as state sponsored plans. We agree that legislation is desperately needed to allow students and families who want to utilize prepaid tuition plans to dedicate the funds to the institution of their choice. Your legislation allowing private colleges and universities to compete on a level playing field in the tax arena is absolutely necessary and fair.

We look forward to continuing to work with you and your colleagues in both the House and Senate to push for the inclusion of tax relief for private pre-paid tuition programs in tax legislation expected before the 105th Congress adjourns. This issue is a top tax priority for independent higher education and we certainly support your efforts.

Again, thank you. Please do not hesitate to contact me if and when I can be of further assistance on this or any issue of importance to independent higher education.

Sincerely,

DAVID L. WARREN,
President.

COMMONWEALTH OF VIRGINIA, HIGHER EDUCATION TUITION TRUST FUND, RICHMOND, VA,
September 16, 1998.

Hon. JEFF SESSIONS,
The U.S. Senate, Washington, DC.

Re: Virginia prepaid education program—support of S. 2425.

DEAR SENATOR SESSIONS: Thank you for your continuing support of legislation to encourage college savings through qualified tuition programs like the Virginia Prepaid Education Program (''VPEP''). VPEP now represents over a third of a billion dollars pledged to the futures of more than 21,000 children, and we are about to begin our third enrollment period on October 1.

In our continuing efforts to make a college education more accessible and affordable for families, we very much appreciate your sponsorship of S. 2425, the Collegiate Learning and Student Saving Act, which would provide an exclusion from gross income of interest earnings on qualified tuition programs like VPEP.

VPEP strongly supports an exclusion from gross income for earnings on qualified tuition program accounts. This tax treatment would be less burdensome to administer than current tax provisions, and would result in better compliance and less cost to the programs and their participants. More importantly, an exclusion from gross income would provide a powerful additional incentive for families to save early for college expenses.

Please do not hesitate to contact me or my staff should you need any additional information or have any questions. Thank you for your continued interest in and support of qualified tuition programs and the hundreds of thousands of children for whom college is now an affordable reality.

Sincerely,

DIANA F. CANTOR,
Executive Director.

ENTERPRISE STATE JUNIOR COLLEGE, ENTERPRISE AL,
October 1, 1998.

Hon. JEFF SESSIONS,
U.S. Senate, Washington, DC.

DEAR SENATOR SESSIONS. I have reviewed S. 2425 with a great deal of enthusiasm. I believe that it is a much needed piece of legislation. It will certainly help many Alabamians who are struggling to secure a college education for their children.

Several members of the Enterprise State Junior College family are participants in the Alabama Prepaid College Tuition Program. I know that they will be pleased to learn that those hard earned funds may soon be exempted from the Internal Revenue Code of 1986. Likewise, I am sure that citizens in Florida, Georgia and Kentucky will be appreciative for the protection that the bill will afford them.

Senator Sessions, this type legislation clearly demonstrates both your leadership and sensitivity to the needs of Alabama citizens. As the state legislative contact person for the American Association of Community Colleges, I will encourage my colleagues to support and petition our friends nationwide to encourage passage of the language.

Sincerely,

STAFFORD L. THOMPSON,
President.

SAMFORD UNIVERSITY,
BIRMINGHAM, AL,
August 14, 1998.

Hon. JEFF B. SESSIONS,
U.S. Senator, Washington, DC.

DEAR JEFF: I was delighted to learn of your sponsorship of legislation which would clarify Section 529 so that appropriate securities statutes apply to prepaid tuition plans for private institutions in S. 2425, The Collegiate Learning and Student Savings (CLASS) Act of 1998.

As you may know, Samford University has joined with nearly sixty independent institutions of higher education to form a consortium which is working hard to establish the

first nationwide prepaid tuition program geared to American families who want to enroll their children at independent institutions. We are convinced this plan will offer millions of future students and their families a convenient and affordable method to save for college. Moreover, our institutions will be able to offer future tuition at current or discounted-current rates.

In addition, I believe it is important to secure tax treatment for prepaid tuition plans for private institutions, similar to that currently offered to state-sponsored tuition plans. Such tax treatment is essential to the success of our efforts by making these programs more economically attractive.

I continue to appreciate all that you are doing for our state and thank you for your leadership on this proposal and your commitment to American higher education. If I can be of further assistance as you move forward, please do not hesitate to contact me.

Very sincerely yours,

THOMAS E. CORTS,
President.

BIRMINGHAM-SOUTHERN COLLEGE,
BIRMINGHAM, AL,
August 5, 1998.

Hon. JEFF SESSIONS,
Russell Senate Office Building, Washington, DC

DEAR JEFF: I am writing to personally thank you for your continued efforts to bring about legislation to allow private college prepaid tuition plans. The introduction of your and Senators Coverdale, Graham and McConnell's ''Colleagiate Learning and Student Savings Act'' is a valuable step in the right direction to allow parents and students to save for *all* of their educational needs, both public and private. I applaud your efforts to include the tax-exempt status of earnings on prepaid tuition plans that is in the bill. Obviously, this will help students and families be better able to afford college.

We certainly need a national prepaid tuition plan. As you know, Birmingham-Southern College is one of more than sixty private institutions willing to take the responsibility for establishing a plan if it could be permitted by your legislation. Most importantly, the private college prepaid college tuition plan should be good for the nation, and only the national plan lowers costs without lowering the quality of the best system of higher education in the world.

We at Birmingham-Southern, stand ready to assist you in getting S. 2425 passed. Please let us know what we can do to assist. Again, thank you for your commitment to higher education.

Sincerely,

NEAL R. BERTE,
President.

[From Time, Dec. 7, 1998]

NEW WAY TO SAVE—STATE COLLEGE-SAVING PLANS OFFER TAX ADVANTAGES TO ALL AND CAN BE USED AT ANY SCHOOL IN THE U.S.

(By Daniel Kadlec)

The best college-savings program you never heard about keeps getting better. As you think about year-end tax moves, consider dropping some cash into a state-sponsored plan where money for college grows tax-deferred and may garner a fat state income tax exemption as well. This plan is relative new and often gets confused with more common prepaid-tuition plans, in which you pay today and attend later—removing worries about higher tuition in the future. Savings plans are vastly different and in most cases superior because they are more flexible.

Prepaid plans offer tax advantages, and some are portable, but many still apply only to public colleges within the taxpayer's state. What if Junior gets accepted to Harvard? You can get your contributions back. But some states refund only principal, beating you out of years' worth of investment gains. And state prepaid plans make it tougher to get student aid because the moneys is held in the student's name. With savings plans the money is in a parent's name, where it counts less heavily in student-aid formulas—and you can set aside as much as $100,000 for expenses at any U.S. college.

Both the prepaid and the college-savings plans vary from state to state. Check out the website collegesavings.org for details. It's a fast-moving area. In the next few months, eight states will join the 15 that already have state college-savings programs. Those are mostly in addition to the 19 that have prepaid-tuition plans. Only Massachusetts will probably offer both.

Most of the newer savings plans make contributions deductible against state taxes. New York, for example, launched its plan two months ago. It permits couples to set aside up to $10,000 a year per student and lets New York residents deduct the full amount from their income on their state return. Missouri will approve a tax-deductible savings plan in December. Minnesota is expected to adopt a plan in which the state matches 5% of your contributions. These college-savings plans are open to everyone, regardless of income—in contrast to the Roth IRA and other federal savings plans in which eligibility begins to phase out for couples earning more than $100,000.

If your state doesn't offer a college-savings plan, you can still participate through an out-of-state plan. You won't get the state tax deduction, but you will get tax-deferred investment growth; and when the money is tapped, it will be taxed at the student's rate (usually 15%). Fidelity Investments (800–544–1722; www.state.nh.us), which runs the New Hampshire savings plan, and TIAA–CREF (877–697–2837; www.nysaves.org), which runs the New York plan, make it easy. If your state later offers a savings plan with a tax deduction, you can transfer your account penalty free.

Both plans invest mostly in stocks in the early years and slowly shift into bonds and money markets as your student nears college age. You get no say in this allocation. The impact of tax deferral is big. TIAA–CREF estimates that someone in the 28% tax bracket savings $5,000 a year and mimicking its investments in a taxable account could expect to accumulate $167,000 in 18 years. Deferring taxes and then paying them at 15% brings the total to $190,000. The state deduction, for those who qualify, pushes the nest egg to $202,000.

[From the Birmingham News, Aug. 2, 1998.]

BORROWING AN IDEA—PREPAID TUITION PLANS GOOD FOR PRIVATE COLLEGES AS WELL

State-run, prepaid college tuition plans, such as the one offered in Alabama, are marvelous ideas that are becoming more popular each year.

They help make sending children to public colleges within the reach of more families.

It's great that some private colleges are now borrowing the concept, helping families better afford college educations at their schools, which often can be several times as expensive as state-supported schools.

Recently, some 56 private colleges—including Birmingham-Southern College and Samford University—became members of Tuition Plan Inc., a new prepaid program designed to work like the state-run tuition plans:

Parents invest in the plan when their children are young—through one lump sum or through monthly payments—as a shelter against inflation, and the fund invests the money to cover future tuition obligations.

With the private TPI, parents get another bonus; Colleges agree upfront to discount their tuition a guaranteed amount, as much as 50 percent at some schools. And, as with the public school tuition pacts, if a child decides not to go to a school for which his or her parents already have paid, the student gets a refund plus some of the interest and minus a penalty (neither of the amounts has been decided).

Organizers hope to eventually sign up 400 to 500 member schools.

Some of the important details of TPI haven't yet been worked out, such as how the money will be invested to maximize return and security, but the concept is grand.

Not only will it make private school more affordable for more families, it could lessen the need for financial aid, since four-fifths of all current students at private colleges and universities receive some form of it.

And because schools will be discounting their tuition to plan participants, it also might stem rising tuition costs.

This time, it's the private sector that's learning from government.

[From the Washington Post, Aug. 7, 1998]

IF IT'S FOR COLLEGE, TAXES ARE DEFERRED—NEW STATE PLANS OFFER BETTER RETURNS ON LONG-TERM SAVINGS FOR HIGHER EDUCATION

(By Albert B. Crenshaw)

A growing number of states, taking advantage of recent tax law changes, are rushing to create savings plans that enable families to set aside tens of thousands of dollars a year in tax-deferred accounts to pay college costs.

The new programs allow families to make upfront investments of as much as $50,000—building accounts that could dwarf the $500-a-year Education IRA enacted with much fanfare last year. The initial contribution is not deductible from federal taxes, but the account's earnings are free of tax until the child goes to college, when they are taxed at the child's rate.

The programs, resulting from several seemingly modest changes in tax law in the past two years, have the potential to allow families to save hundreds of thousands of dollars for college while paying sharply reduced taxes on the earnings.

''We think of it as the best-kept secret of the Taxpayer Relief Act'' of 1997, said Stephen Mitchell of Fidelity Investments, the big mutual fund operator.

States can tailor the programs as they see fit, but typically they are not restricted to residents of the sponsoring state or to colleges within their borders.

The states are crafting the programs in response to constituent complaints about the soaring cost of higher education. The savings accounts are expected to appeal in particular to middle-class families that earn too much to qualify for financial aid but often too little to cover college costs without heavy borrowing. Affluent families would benefit greatly as well, experts say, because they can afford to put large sums into the plans.

There is no limit on the incomes of contributors.

Although sponsored by the states, the programs are typically operated by a large

money-management fund, which invests the cash and handles the administration of the accounts. Already, Fidelity is operating these plans, variously known as savings trusts or 529 plans (after the tax code section permitting them), for Delaware and New Hampshire.

New York and the Teachers Investment and Annuity Association are launching one next month. At least five other states offer some type of savings trust, and at least a dozen jurisdictions, including Virginia and the District, are studying the possibility.

New Hampshire established its trust with Fidelity as manager July 1. According to State Treasurer Georgie Thomas and a Fidelity spokesman, it works like this:

When a parent or other donor opens an account, the donor's payments go into the trust where they are pooled with others and invested in one of seven portfolios of Fidelity mutual funds.

No taxes are paid on the earnings until the money is withdrawn, and proceeds can be used for room and board as well as for tuition. Then, the income is taxable to the student, who presumably would have little other income and would be in a lower tax bracket than the parents.

The total allowable contribution for a single beneficiary is currently $100,311.

If a parent were able to put $50,000 into one of these accounts for a newborn, and the account earned 10 percent for 18 years, it would total about $278,000 when the child went off to college. At 8 percent, it would amount to just under $200,000.

''I think it's a great plan for upper-income and wealthy people to use,'' said Raymond Loewe of College Money, a Marlton, N.J., firm specializing in planning for college.

Thomas, though, said she sees it as ''a middle-class program.'' Low-income people qualify for government grants and scholarships, and the wealthy can afford to pay out of pocket, she said, while the middle class is forced to borrow.

While it's possible to make a large contribution, accounts can be opened with much smaller amounts. With automatic payments, the plan will allow people to put in as little as $50 a month, according to Fidelity.

If the child doesn't go to college for whatever reason, the account can be transferred to a sibling or other beneficiary.

Also, parents can get at the money if they need it. Amounts can be withdrawn for any reason, though earnings would be subject to income tax plus a 15 percent penalty.

Politicians at the national and state levels have sought through a variety of ways to ease the burden of college costs for middle-class voters. State officials fear that if they do nothing, they risk losing residents or their money to other states with attractive programs.

Prepaid tuition plans have been successful in big states with attractive public college systems. But smaller jurisdictions, such as New Hampshire, Delaware and the District, may find it difficult to attract enough families to a prepaid program to make it viable.

Savings trusts have existed in more limited form since 1990, but they have become much more attractive over the last two years because of changes in the tax law made by Congress, at the request of several states.

In 1996, Congress added Section 529 to the federal tax code, clarifying that investments in such trusts would be tax-deferred and the distributions taxable at the student's rate. Before that, their tax status was uncertain. Then last year's tax law included provisions that allow a family to contribute up to $50,000 in a lump sum to the trusts without incurring a gift tax, and which allow the money to be used for college expenses beyond tuition.

Because of the enormous growth potential—prepaid plans already have attracted hundreds of millions of dollars—big money managers are actively vying for a piece of the action. ''The big funds are out there in force,'' said Diana F. Cantor, executive director of the Virginia Higher Education Tuition Trust Fund.

Fidelity's Mitchell said the programs fill a gap in government efforts to assist families in saving for college. The Education IRA, though its proceeds are tax-free, is too restricted, and alternatives such as giving money to a child have a variety of tax and other pitfalls, he said.

''We think for most people who are able to save at all, $500 a year just isn't enough to let people get to their goals,'' Mitchell said.

The new savings trusts differ from prepaid tuition plans that many states, including Virginia and Maryland, have offered in recent years.

While prepaid tuition plans promise to pay the tuition no matter what the inflation rate, savings trusts do not. The beneficiary gets whatever the investment amounts to when it's time to go to college—and that amount may be more or less than needed. With prepaid tuition, the state would cover a shortfall; with a savings trust, that would be up to the student.

Also, most prepaid tuition plans are restricted to state residents and state institutions—conditions that limit their appeal to many families.

This was a factor in New Hampshire's decision to go with a savings trust, said Thomas, the state treasurer. ''We are a small state. We have a lot of out-of-state students coming into our schools, and conversely we have a lot of New Hampshire students going to out-of-state schools,'' she said.

[A Report of the Heritage Center for Data Analysis, Sept. 25, 1998]

WHO WOULD BENEFIT FROM PREPAID COLLEGE TUITION PLANS?

(By Rea S. Hederman)

In 1997, Congress enacted legislation to provide taxpaying Americans with new ways to save for their children's college education. Specifically, Congress created tax-advantaged ''education IRAs'' in the Taxpayer's Relief Act of 1997, increasing the attractiveness of state-sponsored tuition savings and prepayment plans. Many Members of Congress now want to expand these opportunities.

Advoactes of expansion claim that these plans will make it easier for families to save for college and will take the uncertainty out of planning for future costs of college education. They argue that it is time for Congress and President Bill Clinton to eliminate the double taxation of interest earned through these programs and end the tax disparity that currently exists between public and private colleges.

Indeed, the House Ways and Means Committee recently adopted, as part of its $80 billion tax-cut package, a modest expansion of tuition savings and prepayment plans. H.R. 4579 would extend the same tax treatment that state-sponsored plans enjoy under the current law to plans at private colleges and universities.

Under this legislation, federal income tax on all interest earned through the plans—whether public or private—would be deferred until the student enrolls in college. The committee's proposal, however, does not go far enough for some Members who want to make all earnings through all of the tuition savings and prepayment plans tax-free, thus vastly expanding their benefits to participating families and children.[1]

How many children would benefit from the universal availability of tax-advantaged tuition savings and prepayment plans? A Center for Data Analysis study shows that about 30 million children could benefit, as demonstrated in the attached table by state and congressional district.

It should be noted that this study does not calculate the financial benefits that might flow to families from expanding tuition savings and prepayment plans, though the numbers doubtless are significant. American families accumulated more college debt during the first five years of the 1990s than in the previous three decades combined.[2] Recognizing that this trend cannot continue, several states have established tuition savings and prepaid tuition plans.[3]

A common criticism of educational savings accounts is that they are a tax break solely for the rich and upper class, so not many children will benefit from them. However, the experience of the existing state plans indicates that working, middle-income families represent a significant portion of participants.[4] For example, families with annual incomes of less than $35,000 purchased 62 percent of the prepaid tuition contracts sold by Pennsylvania in 1996. The average monthly contribution to a family's college savings account during 1995 in Kentucky was 443.

The attached table shows the number of children who stand to benefit from expanded educational savings accounts and tuition prepayment plans.

METHODOLOGY

The data in the attached table came from the 1997 March Current Population Survey produced by the Bureau of the Census, and other data tabulated by the Census Bureau for The Heritage Foundation.[5]

Children were considered eligible if they were members of family that had an annual monetary income of at least 125 percent of the poverty threshold.[6] The analysis was conducted at the state level, which gave the aggregate number of children eligible. The children were distributed based on each district's percentage of children above the 125 percent of poverty level.

Finally, the number of children in each district was multiplied by the percentage of eligible high school graduates in 1994 who went on to attend college in that state.[7]

FOOTNOTES

[1] John S. Barry, ''Why Congress Must Fix the Tax Bill's Educational Savings Plans,'' Heritage Foundation Executive Memorandum No. 491, September 3, 1997. Legislation has been introduced by Representative Bill Archer (R–TX), Kay Granger (R–TX), Philip English (R–PA), and Gerald Weller (R–IL), and Senators Jeff Sessions (R–AL), William Roth (R–DE), Bob Graham (D–FL), Mitch McConnell (R–KY), Paul Coverdell (R–GA), Thad Cochran (R–MS), Rod Grams (R–MN), and Spencer Abraham (R–MI).

[2] ''College Debt and the American Family,'' Report from the Education Resources Institutes and the Institute for Higher Education Policy, September 1995, p. 6.

[3] For an overview of the state-based plans, see College Savings Plans Network, National Assocication of State Treasurers, ''Special Report on State College Plans'' (Lexington, Ky.: Council of State Governments, 1996).

[4] Nina H. Shokraii and John S. Barry, ''Education: Empowering Parents, Teachers, and Principals,'' in Stuart M. Butler and Kim R. Holmes, eds., ''Issues '98: The Candidate's Briefing Book'' (Washington, D.C.: The Heritage Foundation, 1998), p. 280.

Footnotes at end of article.

[5] Data available upon request from the author.

[6] At 125 percent of the poverty level, there is a notable increase in the number of tax filers who could realize tax savings from these plans.

[7] ''Quality Counts,'' Education Week, Vol. XII, No. 17 (January 8, 1998), p. 79.

NUMBER OF CHILDREN WHO COULD BENEFIT FROM PREPAID TUITION PLANS (1997)

State and congressional district	U.S. Representative (party)	Number of eligible children in families with income over 125% of poverty level	
		Total	Number who are likely to attend college [1]
Alabama:			
1	S. Callahan (R)	109,958	70,373
2	T. Everett (R)	115,268	73,771
3	B. Riley (R)	108,420	69,389
4	R. Aderholt (R)	109,574	70,127
5	B. Cramer (D)	115,499	73,919
6	S. Bachus (R)	116,191	74,362
7	E. Hilliard (D)	93,876	60,081
Alaska:.			
Single district	D. Young (R)	192,307	71,154
Arkansas:			
1	M. Berry (D)	118,855	57,050
2	V. Snyder (D)	133,368	64,017
3	A. Hutchinson (R)	130,365	62,575
4	J. Dickey (R)	117,854	56,570
Arizona:			
1	M. Salmon (R)	141,109	70,555
2	E. Pastor (D)	132,973	66,486
3	B. Stump (R)	136,859	68,295
4	J. Shadegg (R)	139,219	69,609
5	J. Kolbe (R)	128,124	64,062
6	J.D. Hayworth (R)	143,739	71,870
California:			
1	F. Riggs (R)	118,120	72,053
2	W. Herger (R)	108,623	66,260
3	V. Fazio (D)	118,120	72,053
4	J. Doolittle (R)	119,307	72,777
5	R. Matsui (D)	106,249	64,812
6	L. Woolsey (D)	109,217	66,622
7	G. Miller (D)	121,682	74,226
8	N. Pelosi (D)	67,073	40,915
9	B. Lee (D)	89,629	54,674
10	E. Tauscher (D)	124,649	76,036
11	R. Pombo (R)	120,494	73,502
12	T. Lantos (D)	101,500	61,915
13	P. Stark (D)	125,243	76,398
14	A. Eshoo (D)	99,126	60,467
15	T. Cambell (R)	112,184	68,433
16	Z. Lofgren (R)	127,261	77,629
17	S. Farr (D)	118,536	72,307
18	G. Condit (D)	128,211	78,209
19	G. Radanovich (R)	118,702	72,408
20	C. Dooley (D)	115,087	70,203
21	W. Thomas (R)	125,718	76,688
22	L. Capps (D)	103,477	63,121
23	E. Gallegly (R)	131,713	80,345
24	B. Sheman (D)	105,655	64,450
25	B. McKeon (R)	133,434	81,395
26	H. Berman (D)	116,102	70,822
27	J. Rogan (R)	98,817	60,279
28	D. Dreier (R)	126,430	77,122
29	H. Waxman (D)	59,772	36,461
30	X. Becerra (D)	98,889	60,322
31	M. Martinez (D)	118,714	72,415
32	J. Dixon (D)	91,410	55,760
33	L. Roybal-Allard (D)	115,075	70,196
34	E. Torres (D)	134,740	82,191
35	M. Waters (D)	111,223	67,846
36	H. Harman (D)	94,555	57,679
37	J. Millender-McDon (D)	125,421	76,507
38	S. Horn (R)	102,865	62,748
39	E. Royce (R)	122,097	74,479
40	J. Lewis (R)	127,855	77,991
41	J. Kim (R)	140,379	85,631
42	G. Brown (D)	143,584	87,586
43	K. Calvert (R)	139,489	85,088
44	M. Bono (R)	116,636	71,148
45	D. Rohrabacher (R)	100,313	61,191
46	L. Sanchez (D)	121,147	73,900
47	C. Cox (R)	113,965	69,519
48	R. Packard (R)	123,450	75,305
49	B. Bilbray (R)	74,523	45,459
50	B. Filner (D)	119,901	73,140
51	R. Cunningham (R)	120,732	73,646
52	D. Hunter (R)	124,056	75,674
Colorado:			
1	D. DeGette (D)	97,017	50,449
2	D. Skaggs (D)	137,236	71,363
3	S. McInnis (R)	123,228	64,079
4	B. Schaffer (R)	137,667	71,587
5	J. Hefley (R)	147,008	76,444
6	D. Schaefer (R)	142,118	73,901
Connecticut:			
1	B. Kennelly (D)	105,416	62,195
2	S. Gejdenson (D)	116,249	68,587
3	R. DeLauro (D)	107,728	63,560
4	C. Shays (R)	107,593	63,480
5	J. Maloney (D)	121,727	71,819
6	N. Johnson (R)	117,467	69,305
Delaware:			
Single district	M. Castle (R)	148,092	96,260

NUMBER OF CHILDREN WHO COULD BENEFIT FROM PREPAID TUITION PLANS (1997)—Continued

State and congressional district	U.S. Representative (party)	Number of eligible children in families with income over 125% of poverty level	
		Total	Number who are likely to attend college [1]
District of Columbia:			
Delegate	E. Holmes-Norton (D)	55,515	34,364
Florida:			
1	J. Scarborough (R)	105,015	51,457
2	A. Boyd (D)	102,603	50,276
3	C. Brown (D)	97,342	47,697
4	T. Fowler (R)	107,207	52,532
5	K. Thurman (D)	77,566	38,008
6	C. Stearns (R)	108,084	52,961
7	J. Mica (R)	108,150	52,994
8	B. McCollum (R)	104,862	51,382
9	M. Bilirakis (R)	96,634	47,350
10	B. Young (R)	77,829	38,136
11	J. Davis (D)	95,193	46,645
12	C. Canady (R)	106,550	52,209
13	D. Miller (R)	77,939	38,190
14	P. Goss (R)	84,034	41,177
15	D. Weldon (R)	99,600	48,804
16	M. Foley (R)	94,711	46,408
17	C. Meek (D)	102,516	50,233
18	I. Ros-Lehtinen (R)	82,718	40,532
19	R. Wexler (D)	88,791	43,508
20	P. Deutsch (D)	105,673	51,780
21	L. Diaz-Balart (R)	111,395	54,583
22	C. Shaw (R)	58,339	28,586
23	A. Hastings (D)	99,819	48,911
Georgia:			
1	J. Kingston (R)	122,289	72,151
2	S. Bishop (D)	104,436	61,617
3	M. Collins (R)	139,461	82,282
4	C. McKinney (D)	129,267	76,268
5	J. Lewis (D)	94,173	55,562
6	N. Gingrich (R)	140,511	82,901
7	B. Barr (R)	130,930	77,249
8	S. Chambliss (R)	125,811	74,228
9	N. Deal (D)	126,757	74,786
10	C. Norwood (R)	125,162	73,845
11	J. Linder (R)	123,877	73,087
Hawaii:			
1	N. Abercrombie (D)	85,883	53,247
2	P. Mink (D)	105,297	65,284
Idaho:			
1	H. Chenoweth (R)	111,901	53,713
2	M. Crapo (R)	134,379	64,502
Illinois:			
1	B. Rush (D)	96,817	61,963
2	J. Jackson (D)	122,876	78,641
3	W. Lipinski (D)	120,353	77,026
4	L. Gutierrez (D)	128,044	81,948
5	R. Blagojevich (D)	92,506	59,204
6	H. Hyde (R)	130,909	83,782
7	D. Davis (D)	90,865	58,154
8	P. Crane (R)	146,021	93,453
9	S. Yates (D)	86,834	55,574
10	J. Porter (R)	138,134	88,406
11	J. Weller (R)	136,665	87,466
12	J. Costello (D)	113,207	72,452
13	H. Fawell (R)	155,443	99,483
14	D. Hastert (R)	150,405	96,259
15	T. Ewing (R)	116,361	74,471
16	D. Manzullo (R)	140,412	89,864
17	L. Evans (D)	118,541	75,866
18	R. LaHood (R)	127,725	81,744
19	G. Poshard (D)	113,300	72,512
20	J. Shimkus (R)	123,317	78,923
Indiana:			
1	P. Visclosky (D)	111,638	61,401
2	D. McIntosh (R)	103,673	57,020
3	T. Roemer (D)	115,806	63,693
4	M. Souder (R)	127,521	70,137
5	S. Buyer (R)	118,667	65,267
6	D. Burton (R)	125,156	68,836
7	E. Pease (R)	108,033	59,418
8	J. Hostettler (R)	101,105	55,608
9	L. Hamilton (D)	116,673	64,170
10	J. Carson (D)	98,097	53,953
Iowa:			
1	J. Leach (R)	134,186	85,879
2	J. Nussle (R)	136,633	87,445
3	L. Boswell (D)	127,263	81,449
4	G. Ganske (R)	135,757	86,884
5	T. Latham (R)	140,138	89,688
Kansas:			
1	J. Moran (R)	144,997	82,649
2	J. Ryun (R)	137,921	78,615
3	V. Snowbarger (R)	148,361	84,566
4	T. Tiahrt (R)	148,709	84,764
Kentucky:			
1	E. Whitfield (R)	108,223	53,029
2	R. Lewis (R)	122,191	59,874
3	A. Northup (R)	106,786	52,325
4	J. Bunning (R)	106,793	52,329
5	H. Rogers (R)	122,476	60,013
6	S. Baesler (D)	95,828	46,956
Louisiana:			
1	B. Livingston (R)	108,873	57,703
2	W. Jefferson (D)	83,892	44,463

NUMBER OF CHILDREN WHO COULD BENEFIT FROM PREPAID TUITION PLANS (1997)—Continued

State and congressional district	U.S. Representative (party)	Number of eligible children in families with income over 125% of poverty level	
		Total	Number who are likely to attend college [1]
3	B. Tauzin (R)	114,456	60,662
4	J. McCrery (R)	81,386	43,135
5	J. Cooksey (R)	103,361	54,782
6	R. Baker (R)	111,951	59,334
7	C. John (D)	111,808	59,258
Maine:			
1	T. Allen (D)	98,056	49,028
2	J. Baldacci (D)	87,165	43,582
Maryland:			
1	W. Gilchrest (R)	122,453	67,349
2	R. Ehrlich (R)	126,439	69,541
3	B. Cardin (D)	116,874	64,281
4	A. Wynn (D)	132,915	73,103
5	S. Hoyer (D)	135,008	74,254
6	R. Bartlett (R)	132,118	72,665
7	E. Cummings (D)	98,541	54,197
8	C. Morella (R)	132,018	72,610
Massachusetts:			
1	J. Olver (D)	120,136	78,088
2	R. Neal (D)	126,714	82,364
3	J. McGovern (D)	124,290	80,789
4	B. Frank (D)	123,852	80,504
5	M. Meehan (D)	131,445	85,439
6	J. Tierney (D)	119,674	77,788
7	E. Markey (D)	104,556	67,961
8	J. Kennedy (D)	76,744	49,883
9	J. Moakley (D)	109,865	71,412
10	W. Delahunt (D)	121,290	78,838
Michigan:			
1	B. Stupak (D)	119,337	71,602
2	P. Hoekstra (R)	134,397	80,638
3	V. Ehlers (R)	136,876	82,125
4	D. Camp (R)	119,719	71,831
5	J. Barcia (D)	121,053	72,632
6	F. Upton (R)	118,194	70,916
7	N. Smith (R)	124,675	74,805
8	D. Stabenow (D)	124,294	74,576
9	D. Kildee (D)	119,337	71,602
10	D. Bonior (D)	127,725	76,635
11	J. Knollenberg (R)	125,438	75,263
12	S. Levin (D)	120,862	72,517
13	L. Rivers (D)	116,668	70,001
14	J. Conyers (D)	101,418	60,851
15	C. Kilpatrick (D)	74,348	44,609
16	J. Dingell (D)	122,006	73,204
Minnesota:			
1	G. Gutknecht (R)	140,016	74,208
2	D. Minge (D)	146,786	77,796
3	J. Ramstad (R)	149,042	78,992
4	B. Vento (D)	120,351	63,786
5	M. Sabo (D)	90,263	47,840
6	B. Luther (D)	162,582	86,168
7	C. Peterson (D)	134,321	71,190
8	J. Oberstar (D)	131,204	69,538
Mississippi:			
1	R. Wicker (R)	103,157	71,178
2	B. Thompson (D)	83,724	57,770
3	C. Pickering (R)	100,691	69,477
4	M. Parker (R)	93,730	64,674
5	G. Taylor (D)	102,093	70,444
Missouri			
1	B. Clay (D)	132,587	67,619
2	J. Talent (R)	178,713	91,144
3	R. Gephardt (D)	157,259	80,202
4	I. Skelton (D)	155,542	79,327
5	K. McCarthy (D)	140,310	71,558
6	P. Danner (D)	160,906	82,062
7	R. Blunt (R)	143,957	73,418
8	J. Emerson (R)	135,161	68,932
9	K. Hulshof (R)	163,266	83,266
Montana: Single district.	R. Hill (R)	167,712	90,564
Nebraska:			
1	D. Bereuter (R)	114,111	68,466
2	J. Christensen (R)	121,139	72,684
3	B. Barrett (R)	116,184	69,710
Nevada:			
1	J. Ensign (R)	151,025	57,389
2	J. Gibbons (R)	168,267	63,941
New Hampshire:			
1	J. Sununu (R)	115,308	64,572
2	C. Bass (R)	116,934	65,483
New Jersey:			
1	R. Andrews (D)	117,947	75,486
2	F. LoBiondo (R)	108,200	69,248
3	J. Saxton (R)	119,218	76,300
4	C. Smith (R)	113,568	72,684
5	M. Roukema (R)	121,478	77,746
6	F. Pallone (D)	104,669	66,988
7	B. Franks (R)	108,200	69,248
8	W. Pascrell (D)	102,127	65,361
9	S. Rothman (D)	92,521	59,214
10	D. Payne (D)	96,900	62,016
11	R. Frelinghuysen (R)	117,665	75,305
12	M. Pappas (R)	119,360	76,390
13	R. Menendez (D)	90,685	58,038
New Mexico:			
1	H. Wilson (R)	111,873	60,411

NUMBER OF CHILDREN WHO COULD BENEFIT FROM PREPAID TUITION PLANS (1997)—Continued

State and congressional district	U.S. Representative (party)	Number of eligible children in families with income over 125% of poverty level	
		Total	Number who are likely to attend college [1]
2	J. Skeen (R)	110,860	59,864
3	B. Redmond (R)	114,946	62,071
New York:.			
1	M. Forbes (R)	126,450	88,515
2	R. Lazio (R)	121,392	84,975
3	P. King (R)	111,909	78,336
4	C. McCarthy (D)	112,225	78,557
5	G. Ackerman (D)	103,373	72,361
6	G. Meeks (D)	113,173	79,221
7	T. Manton (D)	81,561	57,092
8	J. Nadler (D)	62,593	43,815
9	C. Schumer (D)	90,096	63,067
10	E. Towns (D)	88,199	61,739
11	M. Owens (D)	107,167	75,017
12	N. Velazquez (D)	84,406	59,084
13	V. Fossella (R)	104,322	73,025
14	C. Maloney (D)	51,529	36,070
15	C. Rangel (D)	68,283	47,798
16	J. Serrano (D)	80,612	56,428
17	E. Engel (D)	92,309	64,616
18	N. Lowey (D)	96,102	67,272
19	S. Kelly (R)	117,915	82,540
20	B. Gilman (R)	124,238	86,966
21	M. McNulty (D)	102,425	71,697
22	G. Solomon (R)	121,709	85,196
23	S. Boehlert (R)	110,960	77,672
24	J. McHugh (R)	117,283	82,098
25	J. Walsh (R)	115,070	80,549
26	M. Hinchey (D)	104,322	73,025
27	B. Paxon (R)	123,289	86,302
28	L. Slaughter (D)	105,586	73,910
29	J. LaFalce (D)	107,167	75,017
30	J. Quinn (R)	102,425	71,697
31	A. Houghton (R)	113,489	79,442
North Carolina			
1	E. Clayton (D)	95,341	48,624
2	B. Etheridge (D)	108,085	55,123
3	W. Jones (R)	110,897	56,557
4	D. Price (D)	108,506	55,338
5	R. Burr (R)	103,406	52,737
6	H. Coble (R)	110,594	56,403
7	M. McIntyre (D)	107,856	55,006
8	B. Hefner (D)	120,546	61,479
9	S. Myrick (R)	118,039	60,200
10	C. Ballenger (R)	114,700	58,497
11	C. Taylor (R)	97,202	49,573
12	M. Watt (D)	102,001	52,021
North Dakota: Single district.	E. Pomeroy (D)	131,864	89,667
Ohio:			
1	S. Chabot (R)	108,478	55,324
2	R. Portman (R)	134,306	68,496
3	T. Hall (D)	111,622	56,927
4	M. Oxley (R)	127,343	64,945
5	P. Gillmore (R)	138,573	70,672
6	T. Strickland (D)	107,579	54,865
7	D. Hobson (R)	123,525	62,998
8	J. Boehner (R)	132,958	67,809
9	M. Kaptur (D)	118,135	60,249
10	D. Kucinich (D)	110,948	56,583
11	L. Stokes (D)	94,777	48,337
12	J. Kasich (R)	119,932	61,165
13	S. Brown (D)	135,204	68,954
14	T. Sawyer (D)	109,600	55,896
15	D. Pryce (R)	109,600	55,896
16	R. Regula (R)	121,279	61,852
17	J. Traficant (D)	109,151	55,667
18	B. Ney (R)	113,868	58,073
19	S. LaTourette (R)	119,258	60,822
Oklahoma:			
1	S. Largent (R)	103,052	50,495
2	T. Coburn (R)	97,609	47,828
3	W. Watkins (R)	89,236	43,726
4	J. C. Watts (R)	106,521	52,195
5	E. Istook (R)	104,069	50,994
6	F. Lucas (R)	97,669	47,858
Oregon:			
1	E. Furse (D)	117,445	66,944
2	R. Smith (R)	109,222	62,256
3	E. Blumenauer (D)	105,138	59,929
4	P. DeFazio (D)	105,910	60,369
5	D. Hooley (D)	114,189	65,088
Pennsylvania:			
1	R. Brady (D)	86,253	49,164
2	C. Fattah (D)	83,100	47,367
3	R. Borski (D)	103,594	59,049
4	R. Klink (D)	108,323	61,744
5	J. Peterson (R)	105,396	60,076
6	T. Holden (D)	108,999	62,129
7	C. Weldon (R)	112,377	64,055
8	J. Greenwood (R)	131,745	75,094
9	B. Shuster (R)	111,927	63,798
10	J. McDade (R)	111,251	63,413
11	P. Kanjorski (D)	102,018	58,150
12	J. Murtha (D)	102,693	58,535
13	J. Fox (R)	116,656	66,494
14	W. Coyne (D)	84,452	48,137
15	P. McHale (D)	112,602	64,183
16	J. Pitts (R)	127,466	72,655
17	G. Gekas (R)	117,782	67,136
18	M. Doyle (D)	97,514	55,583
19	W. Goodling (R)	117,332	66,879
20	F. Mascara (D)	100,892	57,508
21	P. English (R)	109,675	62,515
Rhode Island:			
1	P. Kennedy (D)	79,820	51,883
2	R. Weygand (D)	83,345	54,174
South Carolina:			
1	M. Sanford (R)	115,317	66,884
2	F. Spence (R)	112,748	65,394
3	L. Graham (R)	109,390	63,446
4	B. Inglis (R)	110,114	63,866
5	J. Spratt (D)	112,814	65,432
6	J. Clyburn (D)	98,194	56,952
South Dakota Single district.	J. Thune (R)	140,376	70,188
Tennessee:			
1	W. Jenkins (R)	96,498	52,109
2	J. Duncan (R)	101,581	54,854
3	Z. Wamp (R)	104,267	56,304
4	V. Hilleary (R)	104,555	56,460
5	B. Clement (D)	100,143	54,077
6	B. Gordon (D)	125,082	67,544
7	E. Bryant (R)	124,123	67,026
8	J. Tanner (D)	108,871	58,791
9	H. Ford (D)	94,004	50,762
Texas:			
1	M. Sandlin (D)	109,450	54,725
2	J. Turner (D)	111,250	55,625
3	S. Johnson (R)	137,172	68,586
4	R. Hall (D)	124,931	62,466
5	P. Sessions (R)	109,090	54,545
6	J. Barton (R)	143,653	71,826
7	B. Archer (R)	140,772	70,386
8	K. Brady (R)	140,412	70,206
9	N. Lampson (D)	119,891	59,945
10	L. Doggett (D)	107,650	53,825
11	C. Edwards (D)	114,850	57,425
12	K. Granger (R)	121,331	60,665
13	W. Thornberry (R)	110,890	55,445
14	R. Paul (R)	117,730	58,865
15	R. Hinojosa (D)	101,169	50,584
16	S. Reyes (D)	114,490	57,245
17	C. Stenholm (D)	114,130	57,065
18	S. Lee (D)	96,128	48,064
19	L. Combest (D)	130,332	65,166
20	H. Gonzalez (D)	107,650	53,825
21	L. Smith (R)	125,651	62,826
22	T. DeLay (R)	142,573	71,286
23	H. Bonilla (R)	118,090	59,045
24	M. Frost (D)	132,852	66,426
25	K. Bentsen (D)	128,891	64,446
26	R. Armey (R)	132,132	66,066
27	S. Ortiz (D)	109,810	54,905
28	C. Rodriguez (D)	113,770	56,885
29	G. Green (D)	118,090	59,045
30	E. Johnson (D)	106,209	53,105
Utah:			
1	J. Hansen (R)	180,375	101,010
2	M. Cook (R)	166,456	93,215
3	C. Cannon (R)	174,484	97,711
Vermont: Single district.	B. Sanders (I)	114,170	58,227
Virginia:			
1	H. Bateman (R)	105,583	55,959
2	O. Pickett (D)	103,453	54,830
3	R. Scott (D)	80,333	42,576
4	N. Sisisky (D)	101,961	54,039
5	V. Goode (D)	87,791	46,529
6	B. Goodlatte (R)	87,045	46,134
7	T. Bliley (R)	106,223	56,298
8	J. Moran (D)	83,103	44,045
9	R. Boucher (D)	81,718	43,311
10	F. Wolf (R)	116,770	61,888
11	T. Davis (R)	111,017	58,839
Washington:			
1	R. White (R)	135,518	77,245
2	J. Metcalf (R)	131,200	74,784
3	L. Smith (R)	128,543	73,269
4	D. Hastings (R)	125,111	71,313
5	G. Nethercutt (R)	118,578	67,590
6	N. Dicks (D)	121,236	69,104
7	J. McDermott (D)	79,606	45,375
8	J. Dunn (R)	145,372	82,862
9	A. Smith (D)	126,993	72,386
West Virginia:			
1	A. Mollohan (D)	75,146	37,573
2	B. Wise (D)	78,123	39,062
3	N. Rahall (D)	70,579	35,290
Wisconsin:			
1	M. Neumann (R)	123,637	74,182
2	S. Klug (R)	117,215	70,329
3	R. Kind (D)	122,113	73,268
4	G. Kleczka (D)	119,686	71,812
5	T. Barrett (D)	93,816	56,290
6	T. Petri (R)	126,575	75,945
7	D. Obey (D)	124,616	74,770
8	J. Johnson (D)	126,466	75,880
9	J. Sensenbrenner (R)	138,982	83,389
Wyoming: Single district.	B. Cubin (R)	105,143	55,726
United States		48,464,580	30,048,040

[1] This figure was obtained by multiplying the number of children considered eligible to use the prepaid tuitions by the state percentage of high school graduates who attend college. This study does not attempt to predict the increase in number of children who would attend college as a result of the prepaid tuition plans.

[2] All data were taken from the 1997 March Current Population Survey and other Bureau of the Census tabulations.

Sources: U.S. Census Bureau and tabulations by The Heritage Foundation.

State	Number of eligible children in families with income over 125% of poverty level	
	Total	Number who are likely to attend college
Alabama	769,479	492,466
Alaska	192,307	71,154
Arizona	821,835	410,918
Arkansas	500,442	240,212
California	5,935,685	3,620,768
Colorado	784,294	407,833
Connecticut	676,262	398,994
Delaware	148,092	96,260
District of Columbia	55,515	34,419
Florida	2,192,380	1,074,266
Georgia	1,362,858	804,086
Hawaii	188,381	116,796
Idaho	244,326	117,277
Illinois	2,449,191	1,567,482
Indiana	1,126,515	619,583
Iowa	674,064	431,401
Kansas	579,989	330,594
Kentucky	664,549	325,629
Louisiana	715,800	379,374
Maine	185,220	92,610
Maryland	996,365	548,001
Massachusetts	1,154,041	750,127
Michigan	1,906,347	1,143,808
Minnesota	1,074,564	569,519
Mississippi	483,396	333,543
Missouri	1,072,706	547,080
Montana	167,712	90,564
Nebraska	351,434	210,860
Nevada	319,292	121,331
New Hampshire	232,242	130,055
New Jersey	1,412,539	904,025
New Mexico	337,678	182,346
New York	3,161,260	2,212,882
North Carolina	1,297,173	661,558
North Dakota	131,864	89,667
Ohio	2,245,912	1,145,415
Oklahoma	598,095	293,067
Oregon	551,904	314,586
Pennsylvania	2,252,045	1,283,666
Rhode Island	163,165	106,057
South Carolina	658,577	381,975
South Dakota	140,376	70,188
Tennessee	959,220	517,979
Texas	3,600,318	1,800,159
Utah	521,315	291,936
Vermont	114,170	58,227
Virginia	1,065,424	564,675
Washington	1,107,174	631,089
West Virginia	223,849	111,924
Wisconsin	1,088,351	653,011
Wyoming	105,143	55,726

Mr. GRAHAM. Mr. President, I am proud to join Senator SESSIONS and other colleagues in launching an initiative to increase Americans' access to college education. Today, we are introducing the Collegiate Learning and Student Savings Act. This bill would extend tax-free treatment to all state sponsored prepaid tuition plans and state savings plans in the year 2000.

This legislation would also give prepaid tuition plans established by private colleges and universities tax-deferred treatment in 2000, and tax-exempt status by 2004.

Prepaid college tuition and savings programs have flourished at the state level in the face of spiraling college costs. According to the College Board, between 1980 and 1997, tuition at public colleges increased by 107 percent, while the median income increased just 12 percent. The cause of this dramatic increase in tuition is the subject of significant debate. But whether these increases are attributable to increased costs to the universities, reductions in state funding for public universities, or the increased value of a college degree, the fact remains that financing a college education has become increasingly difficult.

Although the federal government has increased its aid to college students over the years, it is the states who have engineered innovative ways to help its families afford college. Michigan implemented the first prepaid tuition plan in 1986. Florida followed in 1988. today 43 states have either implemented or are in the process of implementing prepaid tuition plans or state savings plans.

Mr. President, prepaid college tuition plans allow parents to pay prospectively for their children's higher education at participating universities. States pool these funds and invest them in a manner that will match or exceed the pace of educational inflation. This ''locks in'' current tuition and guarantees financial access to a future college education. Congress has already acted to ensure that tax on distributions from state sponsored programs are tax-deferred.

Senator SESSIONS and I believe the 106th Congress must move to make state programs 100 percent tax free. Students should be able to enroll in college without fear of then having to pay taxes on the money accrued. The legislation would extend the same treatment to private college prepaid programs in 2004.

We believe that these programs should be tax free for numerous reasons. First, for most families, they have in essence purchased a service to be provided in the future. The accounts are not liquid. The funds are transferred from the state directly to the college or university. Under current policy, the student is required to find other means of generating the funds to pay the tax. Second, Congress should make these programs tax free in order to encourage savings and college attendance.

Perhaps most importantly, prepaid tuition and savings programs help middle income families afford a college education. Florida's experience shows that it is not higher income families who take most advantage of these plans. It is middle income families who want the discipline of monthly payments. They know that they would have a difficult time coming up with funds necessary to pay for college if they waited until their child enrolled. In Florida, more than 70 percent of participants in the state tuition program have family incomes of less than $50,000.

I am pleased to have this opportunity to join my colleagues in support of good tax policies which enhance our higher education goals. Prepaid tuition plans deserve our support through enactment of legislation that would make them tax-free for American families and students.

By Mr. COVERDELL (for himself and Mr. TORRICELLI):

S. 14. A bill to amend the Internal Revenue Code of 1986 to expand the use of education individual retirement accounts, and for other purposes; to the Committee on Finance.

EDUCATION SAVINGS ACCOUNT ACT OF 1999

Mr. COVERDELL. Mr. President, I rise today to introduce the Education Savings Account Act of 1999.

Under this bill, parents will have more control over their children's education through IRA-style savings accounts that allow parents to save money tax-free for elementary and secondary education expenses. This legislation allows parents, grandparents, or scholarship sponsors to contribute up to $2,000 (post-tax dollars) a year per child for educational expenses while at public, private, religious or home schools—from kindergarten through high school. The accumulated interest in the savings accounts is tax-free if used for the child's education.

Just consider the benefits of these innovative education savings accounts: if a parent placed $2,000 each year in an education savings account beginning in the year of a child's birth, then assuming a 7.5% interest rate, $14,488 would be available by the first grade, $36,847 by the time the child starts junior high school, and $46,732 when the child starts high school.

For a child attending public school, this money could be used for after-school tutoring, car pooling or other transportation costs, school uniforms, or for a home computer. The Joint Committee on Taxation estimates that 75% of all families using these accounts—10.8 million families—will use them to support children in public schools.

These savings accounts give parents the power to obtain the necessary tools to overcome current obstacles to obtaining a quality education for their children.

This legislation is modeled on the Education Savings Accounts that were established for college as part of the bipartisan Taxpayer Relief Act of 1997. Last year, a similar version of this bill passed both the House and the Senate but was vetoed by President Clinton.

I am confident that because this is an idea that benefits millions of working American families, President Clinton will put aside his differences and join us in our effort this Congress.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mr. HARKIN, Mr. AKAKA, Mrs. MURRAY, Mr. KOHL, Mr. KERRY, Mr. KERREY, Mr. BINGAMAN, Mr. BRYAN, Mr. SARBANES, Mr. BIDEN, Mrs. BOXER, Mr. BREAUX, Mr. DURBIN, Mr. JOHNSON, Ms. LANDRIEU, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. REED, Mr. SCHUMER, Mr. TORRICELLI, Mr. WELLSTONE, Mr. LAUTENBERG, and Mrs. FEINSTEIN).

S. 17. A bill to increase the availability, affordability, and quality of child care; to the Committee on Health, Education, Labor, and Pensions.

CHILD CARE A.C.C.E.S.S. ACT (AFFORDABLE CHILD CARE FOR EARLY SUCCESS AND SECURITY)

Mr. DODD. Mr. President, I rise today to introduce the Child Care A.C.C.E.S.S. (Affordable Child Care for Early Success and Security) Act, legislation designed to improve the quality, affordability and accessibility of child care in America.

Any member who spent time in his or her state over the past two months enters the 106th Congress knowing with certainty that no issue weighs more heavily on the minds of parents in this country than how their children are cared for.

Parents worry that they can't afford to take time away from work to be with their children. When they must work, they worry that the child care they need will be unavailable, unaffordable or unsafe. It's a constant, daily struggle.

The challenge before us is straightforward: to do a better job of supporting families in the choices they make about the care of their children.

Providing support for families' choices does not require inventing a slew of new programs. We have programs already in existence that work and that enjoy bipartisan support. Our goal should be to build on the foundation we've already laid with programs like the Child Care and Development Block Grant, 21st Century Community Learning Centers, and with targeted tax credits that help working families defray the costs of raising children.

But, providing real support does require making sure that adequate resources are there when families need them. And that's where we're falling short.

Mr. President, this is the reality in communities across the country:

Because of a lack of funding, the Child Care and Development Block

Grant serve only 1 out of 10 eligible children. In two-thirds of our states, families earning $25,000 make too much to be eligible for any assistance through the block grant. Ironically, these same families earn too little and have too little tax liability to take full advantage of the non-refundable Dependent Care Tax Credit. What kind of choices do those families have when full-day child care costs $4,000 to $10,000 per year—equal to the cost of college tuition plus room and board at many public universities?

Many parents are dismayed to learn that some kinds of care are unavailable at any cost. For example, care for infants is virtually non-existent in many communities. And the problem is only getting worse. The GAO estimates that by the time the 50 percent welfare to work participation goal is reached in 2002, 88 percent of parents with infants needing child care will not be able to find it. This corresponds to 24,000 young children, in the city of Chicago alone, without child care. What choices will those parents have?

We know conclusively that the experiences in the first months and years of children's lives play a significant role in shaping their future. Many parents would prefer to be able to stay home with their children during that critical time, but are unable to shoulder the financial burden of losing an income. What choices are we offering those families?

Options are also limited for parents of school-age children. Five million children go unsupervised each day between the hours of 3 and 6 pm. Not coincidentally, these are the hours when juvenile crime peaks and when children are at an increased risk of being victims of crimes themselves. We also know that eighth-graders left home alone after school report greater use of cigarettes, alcohol, and marijuana than those who are in adult-supervised settings. What kind of choices do parents have when more than half of schools offer no afterschool programs?

Even when families can find affordable care, they still must worry about whether that care will be safe. Studies have found that only one in seven child care centers provides care that promotes healthy development. Child care at one in eight centers actually threatens children's health and safety. And infants and toddlers—our youngest and most vulnerable children—fare the worst. Almost half of infant and toddler care endangers health and safety. What kind of choices are we offering parents who must work but want their children to be in safe and loving environments?

I know that some will argue that child care is a private problem and one that families should be left to solve on their own. If so, then we would be treating child care very differently than we do other essential children's needs, like education and health care.

For example, we don't expect families to bear the financial costs of educating their children alone. In addition to providing public elementary and secondary schools, we pick up three-quarters of the costs of educating a student at a public university.

And we don't expect families to shoulder the burden of providing health care for their children alone. Two-thirds of families have that expense subsidized through their employers or through public programs such as Medicaid and the Children's Health Insurance Program.

We as a nation have an interest in well-educated and healthy children. And so, we accept that the federal government, states and employers play a role in getting us to these laudable goals—of public education and health.

I believe that there is just as compelling a national interest in making sure our children are safe and well-cared for. That is why I rise today to offer a plan that will broadly improve the ability of families to make better choices when it comes to our children's care.

There are seven main parts to our initiative:

First, our bill would provide an additional $7.5 billion over 5 years through the Child Care and Development Block Grant to increase the amount of child care subsidies available to working families. This investment will double the number of children served by the block grant to 2 million by 2004.

Second, this legislation will provide $2 billion over 5 years to encourage states to invest in activities known to produce significant improvements in the quality of child care. For example, we will help states to: bring provider-child ratios to nationally recommended levels; improve the enforcement of quality standards by conducting unannounced inspections; conduct background checks on child care providers; improve the compensation, education and training of child care providers; educate parents how to find good quality child care; and ensure that high quality child care is available to children with disabilities.

In addition, this bill would involve communities in improving the quality of early childhood development by providing $2.5 billion over 5 years in grants to local collaboratives to strengthen services for young children. The bill would also encourage dedicated child care providers to stay in the profession by helping with the repayment of educational loans.

This initiative would provide $2 billion over 5 years to increase the supply and quality of school-age care through the Child Care and Development Block Grant. In addition, we would encourage more schools to keep their doors open beyond the regular school day by expanding the 21st Century Community Learning Centers program to $600 million in FY 2000.

This bill would also expand the existing Dependent Care Tax Credit for families earning under $60,000 and index the credit for inflation to help it keep pace with rising child care costs. We would also make the credit refundable so that families with little or no tax liability (those making under $30,000) can receive assistance with child care expenses.

This legislation would also provide new assistance for families who make the difficult choice to forgo a second income or career and to stay at home with their children. Stay-at-home parents with children under the age of 1 could claim up to $540 through an expansion of the existing Dependent Care Tax Credit. This new credit would also be made refundable—to allow stay-at-home parents earning under $30,000 to benefit.

This bill would create a new discretionary program of competitive ''challenge grants'' in which communities who generate funds from the private sector would be eligible for matched federal grants to improve the availability and quality of child care on a community-wide basis. This program would be authorized at $400 million over 5 years. We would provide a new tax incentive to open high quality, on-site child care centers or to assist their employees in finding and paying for child care off-site.

Finally, we would also ensure that the federal government leads by example in providing its workers only the highest quality child care. Many people would be surprised to hear that federal child care facilities are currently exempted from state quality regulations. In this bill we require that all federal child care centers meet all state licensing standards.

Mr. President, this is a comprehensive package—it is a bold agenda—but it is not pie in the sky. We can and must do this for America's families.

I was disappointed, but not disheartened, about the lack of progress made on this front last year, when I introduced similar legislation. But I know that all good things take time. I fought for more than 3 years to see the enactment of the original Child Care and Development Block Grant and 8 years to see the signing of the Family and Medical Leave Act.

But, I'm not looking to set any new endurance records with this legislation. I am hopeful that this year, we can work together again to give families the resources they need to better care for their children.

Mr. President, I would ask unanimous consent that a summary of this bill be printed in the RECORD. I would also ask unanimous consent that letters of support from the Children's Defense Fund and the National Women's Law Center be included in the RECORD.

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

S. 17

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 ''Child Care ACCESS (Affordable Child Care for Early Success and Security) Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—IMPROVING THE AFFORDABILITY OF CHILD CARE

Sec. 101. Increased appropriations for child care grants.

TITLE II—ENHANCING THE QUALITY OF CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT

Subtitle A—Child Care

Sec. 201. Grants to improve the quality of child care.

Subtitle B—Young Child Assistance Activities

Sec. 211. Definitions.
Sec. 212. Allotments to States.
Sec. 213. Grants to local collaboratives.
Sec. 214. Supplement not supplant.
Sec. 215. Authorization of appropriations.

Subtitle C—Loan Cancellation for Child Care Providers

Sec. 221. Loan cancellation.

TITLE III—EXPANDING THE AVAILABILITY AND QUALITY OF SCHOOL-AGE CHILD CARE

Sec. 301. Appropriations for after-school care.
Sec. 302. Amendments to the 21st Century Community Learning Centers Act.

TITLE IV—SUPPORTING FAMILY CHOICES IN CHILD CARE

Sec. 401. Expanding the dependent care tax credit.
Sec. 402. Minimum credit allowed for stay-at-home parents.
Sec. 403. Credit made refundable.

TITLE V—ENCOURAGING PRIVATE SECTOR INVOLVEMENT

Sec. 501. Allowance of credit for employer expenses for child care assistance.
Sec. 502. Grants to support public-private partnerships.

TITLE VI—CHILD CARE IN FEDERAL FACILITIES

Sec. 601. Short title.
Sec. 602. Providing quality child care in Federal facilities.
Sec. 603. Child care services for Federal employees.
Sec. 604. Miscellaneous provisions relating to child care provided by Federal agencies.
Sec. 605. Requirement to provide lactation support in new Federal child care facilities.
Sec. 606. Federal child care evaluation.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Each day an estimated 13,000,000 children spend some part of their day in child care.

(2) Fifty-four percent of mothers with children between the ages of 0–3 are in the work force. Labor force participation rises to 63 percent for mothers with children under the age of 6 and to 78 percent for mothers with children ages 6–17.

(3) The availability of child care that is reliable, convenient, and affordable helps parents to reach and maintain self-sufficiency and is essential to making the transition from welfare to work.

(4) Only an estimated 1 out of 10 eligible families receive assistance in paying for child care through the Child Care and Development Block Grant Act of 1990.

(5) Full-day child care can cost $4,000 to $9,000 a year.

(6) In many instances, high quality child care services cost little more than mediocre services. An investment of only an additional 10 percent has been found to have a significant impact on quality.

(7) Only 1 in 7 child care centers provides care that promotes healthy development. Child care at 1 in 8 centers actually threatens children's health and safety.

(8) The education, training, and salary of a child care provider make the difference between poor and good quality child care.

(A) The average salary of a child care provider in a center is only $12,058 a year, which is approximately equal to the poverty level for a family of 3.

(B) Home-based providers earn $9,000 a year on average.

(9) Poor compensation and limited opportunities for professional training and education contribute to high turnover among child care providers, which disrupts the creation of strong provider-child relationships that are critical to children's healthy development.

(10) Children placed in poor quality child care settings have been found to have delayed language and reading skills, as well as increased aggressive behavior toward other children and adults.

(11) Nearly 5,000,000 children are home alone after school each week.

(12) Although it is thought that juvenile crime occurs mostly on evenings and weekends, juvenile crime actually peaks between 3 and 6 p.m.

(13) Eighth-graders left home alone after school report greater use of cigarettes, alcohol, and marijuana than those in adult-supervised settings.

TITLE I—IMPROVING THE AFFORDABILITY OF CHILD CARE

SEC. 101. INCREASED APPROPRIATIONS FOR CHILD CARE GRANTS.

Section 418(a)(3) of the Social Security Act (42 U.S.C. 618(a)(3)) is amended by striking subparagraphs (C) through (F) and inserting the following:

''(C) $3,167,000,000 for fiscal year 2000;
''(D) $3,367,000,000 for fiscal year 2001;
''(E) $4,067,000,000 for fiscal year 2002;
''(F) $4,717,000,000 for fiscal year 2003; and
''(G) $4,717,000,000 for fiscal year 2004.''.

TITLE II—ENHANCING THE QUALITY OF CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT

Subtitle A—Child Care

SEC. 201. GRANTS TO IMPROVE THE QUALITY OF CHILD CARE.

Section 418 of the Social Security Act (42 U.S.C. 618) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) GRANTS TO IMPROVE THE QUALITY OF CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT.—

''(1) SECRETARIAL AUTHORITY.—The Secretary shall use the amounts appropriated under paragraph (2) to make grants to States in accordance with this subsection.

''(2) APPROPRIATION.—For grants under this section, there are appropriated—

''(A) $150,000,000 for fiscal year 2000;
''(B) $200,000,000 for fiscal year 2001;
''(C) $300,000,000 for fiscal year 2002;
''(D) $350,000,000 for fiscal year 2003; and
''(E) $1,000,000,000 for fiscal year 2004.

''(3) ALLOTMENTS TO STATES.—The amounts appropriated under paragraph (2) for payments to States under this paragraph shall be allotted among the States in the same manner as amounts (including the redistribution of unused amounts) are allotted or redistributed, as the case may be, under subsection (a)(2), except that the matching requirement of subsection (a)(2)(C) shall not apply to a grant made under this subsection.

''(4) USE OF FUNDS.—Funds received by a State through a grant made under this subsection may be used for any of the following:

''(A) Bringing provider-child ratios up to standards recommended by nationally recognized child care accrediting bodies.

''(B) Improving the enforcement of licensing standards, including the use of unannounced inspections of child care providers.

''(C) Conducting background checks on child care providers.

''(D) Providing increased payment rates for child care services for infants and for children with special health care needs.

''(E) Providing increased payment rates for child care services offered by licensed or accredited providers.

''(F) Improving the compensation of child care providers.

''(G) Assisting child care providers in becoming licensed or accredited.

''(H) Expanding activities to educate parents on the availability and quality of child care, including the development and operation of resource and referral systems.

''(I) Creating support networks and mentoring and apprenticeship programs for family child care providers.

''(J) Establishing linkages between child care services and health care services.

''(K) Offering training and education to child care providers, including offering scholarships and tax credits to assist with the expenses of obtaining such training and education.

''(L) Providing family support and parent education.

''(M) Ensuring the availability and quality of child care for children with special health care needs.''.

Subtitle B—Young Child Assistance Activities

SEC. 211. DEFINITIONS.

In this subtitle:

(1) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(4) STATE BOARD.—The term ''State board'' means a State Early Learning Coordinating Board established under section 212(c).

(5) YOUNG CHILD.—The term ''young child'' means an individual from birth through age 5.

(6) YOUNG CHILD ASSISTANCE ACTIVITIES.—The term ''young child assistance activities''

means the activities described in paragraphs (1) and (2)(A) of section 213(b).

SEC. 212. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make allotments under subsection (b) to eligible States to pay for the Federal share of the cost of enabling the States to make grants to local collaboratives under section 213 for young child assistance activities.

(b) ALLOTMENT.—

(1) IN GENERAL.—From the funds appropriated under section 215 for each fiscal year and not reserved under subsection (i), the Secretary shall allot to each eligible State an amount that bears the same relationship to such funds as the total number of young children in poverty in the State bears to the total number of young children in poverty in all eligible States.

(2) YOUNG CHILD IN POVERTY.—In this subsection, the term ''young child in poverty'' means an individual who—

(A) is a young child; and

(B) is a member of a family with an income below the poverty line.

(c) STATE BOARDS.—

(1) IN GENERAL.—In order for a State to be eligible to obtain an allotment under this subtitle, the Governor of the State shall establish, or designate an entity to serve as, a State Early Learning Coordinating Board, which shall receive the allotment and make the grants described in section 213.

(2) ESTABLISHED BOARD.—A State board established under paragraph (1) shall consist of the Governor and members appointed by the Governor, including—

(A) representatives of all State agencies primarily providing services to young children in the State;

(B) representatives of business in the State;

(C) chief executive officers of political subdivisions in the State;

(D) parents of young children in the State;

(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the State;

(F) representatives of State nonprofit organizations that represent the interests of young children in poverty, as defined in subsection (b)(2), in the State;

(G) representatives of organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.), providing services through a family resource center, providing home visits, or providing health care services, in the State; and

(H) representatives of local educational agencies.

(3) DESIGNATED BOARD.—The Governor may designate an entity to serve as the State board under paragraph (1) if the entity includes the Governor and the members described in subparagraphs (A) through (G) of paragraph (2).

(4) DESIGNATED STATE AGENCY.—The Governor shall designate a State agency that has a representative on the State board to provide administrative oversight concerning the use of funds made available under this subtitle and ensure accountability for the funds.

(d) APPLICATION.—To be eligible to receive an allotment under this subtitle, a State board shall annually submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. At a minimum, the application shall contain—

(1) sufficient information about the entity established or designated under subsection (c) to serve as the State board to enable the Secretary to determine whether the entity complies with the requirements of such subsection;

(2) a comprehensive State plan for carrying out young child assistance activities;

(3) an assurance that the State board will provide such information as the Secretary shall by regulation require on the amount of State and local public funds expended in the State to provide services for young children; and

(4) an assurance that the State board shall annually compile and submit to the Secretary information from the reports referred to in section 213(e)(2)(F)(iii) that describes the results referred to in section 213(e)(2)(F)(i).

(e) FEDERAL SHARE.—

(1) IN GENERAL.—The Federal share of the cost described in subsection (a) shall be—

(A) 85 percent, in the case of a State for which the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b))) is not less than 50 percent, but is less than 60 percent;

(B) 87.5 percent, in the case of a State for which such percentage is not less than 60 percent, but is less than 70 percent; and

(C) 90 percent, in the case of any State not described in subparagraph (A) or (B).

(2) STATE SHARE.—

(A) IN GENERAL.—The State shall contribute the remaining share (referred to in this paragraph as the ''State share'') of the cost described in subsection (a).

(B) FORM.—The State share of the cost shall be in cash.

(C) SOURCES.—The State may provide for the State share of the cost from State or local sources, or through donations from private entities.

(f) STATE ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—A State may use not more than 5 percent of the funds made available through an allotment made under this subtitle to pay for a portion, not to exceed 50 percent, of State administrative costs related to carrying out this subtitle.

(2) WAIVER.—A State may apply to the Secretary for a waiver of paragraph (1). The Secretary may grant the waiver if the Secretary finds that unusual circumstances prevent the State from complying with paragraph (1). A State that receives such a waiver may use not more than 7.5 percent of the funds made available through the allotment to pay for the State administrative costs.

(g) MONITORING.—The Secretary shall monitor the activities of States that receive allotments under this subtitle to ensure compliance with the requirements of this subtitle, including compliance with the State plans.

(h) ENFORCEMENT.—If the Secretary determines that a State that has received an allotment under this subtitle is not complying with a requirement of this subtitle, the Secretary may—

(1) provide technical assistance to the State to improve the ability of the State to comply with the requirement;

(2) reduce, by not less than 5 percent, an allotment made to the State under this section, for the second determination of noncompliance;

(3) reduce, by not less than 25 percent, an allotment made to the State under this section, for the third determination of noncompliance; or

(4) revoke the eligibility of the State to receive allotments under this section, for the fourth or subsequent determination of noncompliance.

(i) TECHNICAL ASSISTANCE.—From the funds appropriated under section 215 for each fiscal year, the Secretary shall reserve not more than 1 percent of the funds to pay for the costs of providing technical assistance. The Secretary shall use the reserved funds to enter into contracts with eligible entities to provide technical assistance, to local collaboratives that receive grants under section 213, relating to the functions of the local collaboratives under this subtitle.

SEC. 213. GRANTS TO LOCAL COLLABORATIVES.

(a) IN GENERAL.—A State board that receives an allotment under section 212 shall use the funds made available through the allotment, and the State contribution made under section 212(e)(2), to pay for the Federal and State shares of the cost of making grants, on a competitive basis, to local collaboratives to carry out young child assistance activities.

(b) USE OF FUNDS.—A local collaborative that receives a grant made under subsection (a)—

(1) shall use funds made available through the grant to provide, in a community, activities that consist of education and supportive services, such as—

(A) home visits for parents of young children;

(B) services provided through community-based family resource centers for such parents; and

(C) collaborative pre-school efforts that link parenting education for such parents to early childhood learning services for young children; and

(2) may use funds made available through the grant—

(A) to provide, in the community, activities that consist of—

(i) activities designed to strengthen the quality of child care for young children and expand the supply of high quality child care services for young children;

(ii) health care services for young children, including increasing the level of immunization for young children in the community, providing preventive health care screening and education, and expanding health care services in schools, child care facilities, clinics in public housing (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), and mobile dental and vision clinics;

(iii) services for children with disabilities who are young children; and

(iv) activities designed to assist schools in providing educational and other support services to young children, and parents of young children, in the community, to be carried out during extended hours when appropriate; and

(B) to pay for the salary and expenses of the administrator described in subsection (e)(4), in accordance with such regulations as the Secretary shall prescribe.

(c) MULTI-YEAR FUNDING.—In making grants under this section, a State board may make grants for grant periods of more than 1 year to local collaboratives with demonstrated success in carrying out young child assistance activities.

(d) LOCAL COLLABORATIVES.—To be eligible to receive a grant under this section for a community, a local collaborative shall demonstrate that the collaborative—

(1) is able to provide, through a coordinated effort, young child assistance activities to young children, and parents of young children, in the community; and

(2) includes—

(A) all public agencies primarily providing services to young children in the community;

(B) businesses in the community;

(C) representatives of the local government for the county or other political subdivision in which the community is located;

(D) parents of young children in the community;

(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the community;

(F) community-based organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs, or providing pre-kindergarten education, mental health, or family support services; and

(G) nonprofit organizations that serve the community and that are described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

(e) APPLICATION.—To be eligible to receive a grant under this section, a local collaborative shall submit an application to the State board at such time, in such manner, and containing such information as the State board may require. At a minimum, the application shall contain—

(1) sufficient information about the entity described in subsection (d)(2) to enable the State board to determine whether the entity complies with the requirements of such subsection; and

(2) a comprehensive plan for carrying out young child assistance activities in the community, including information indicating—

(A) the young child assistance activities available in the community, as of the date of submission of the plan, including information on efforts to coordinate the activities;

(B) the unmet needs of young children, and parents of young children, in the community for young child assistance activities;

(C) the manner in which funds made available through the grant will be used—

(i) to meet the needs, including expanding and strengthening the activities described in subparagraph (A) and establishing additional young child assistance activities; and

(ii) to improve results for young children in the community;

(D) how the local cooperative will use at least 60 percent of the funds made available through the grant to provide young child assistance activities to young children and parents described in subsection (f);

(E) the comprehensive methods that the collaborative will use to ensure that—

(i) each entity carrying out young child assistance activities through the collaborative will coordinate the activities with such activities carried out by other entities through the collaborative; and

(ii) the local collaborative will coordinate the activities of the local collaborative with—

(I) other services provided to young children, and the parents of young children, in the community; and

(II) the activities of other local collaboratives serving young children and families in the community, if any; and

(F) the manner in which the collaborative will, at such intervals as the State board may require, submit information to the State board to enable the State board to carry out monitoring under section 212(g), including the manner in which the collaborative will—

(i) evaluate the results achieved by the collaborative for young children and parents of young children through activities carried out through the grant;

(ii) evaluate how services can be more effectively delivered to young children and the parents of young children; and

(iii) prepare and submit to the State board annual reports describing the results;

(3) an assurance that the local collaborative will comply with the requirements of subparagraphs (D), (E), and (F) of paragraph (2), and subsection (g); and

(4) an assurance that the local collaborative will hire an administrator to oversee the provision of the activities described in paragraphs (1) and (2)(A) of subsection (b).

(f) DISTRIBUTION.—In making grants under this section, the State board shall ensure that at least 60 percent of the funds made available through each grant are used to provide the young child assistance activities to young children (and parents of young children) who reside in school districts in which half or more of the students receive free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.).

(g) LOCAL SHARE.—

(1) IN GENERAL.—The local collaborative shall contribute a percentage (referred to in this subsection as the ''local share'') of the cost of carrying out the young child assistance activities.

(2) PERCENTAGE.—The Secretary shall by regulation specify the percentage referred to in paragraph (1).

(3) FORM.—The local share of the cost shall be in cash.

(4) SOURCE.—The local collaborative shall provide for the local share of the cost through donations from private entities.

(5) WAIVER.—The State board shall waive the requirement of paragraph (1) for poor rural and urban areas, as defined by the Secretary.

(h) MONITORING.—The State board shall monitor the activities of local collaboratives that receive grants under this subtitle to ensure compliance with the requirements of this subtitle.

SEC. 214. SUPPLEMENT NOT SUPPLANT.

Funds appropriated under this subtitle shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services for young children.

SEC. 215. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle $250,000,000 for fiscal year 2000, $250,000,000 for fiscal year 2001, $500,000,000 for fiscal year 2002, $500,000,000 for fiscal year 2003, $1,000,000,000 for fiscal year 2004, and such sums as may be necessary for fiscal year 2005 and each subsequent fiscal year.

Subtitle C—Loan Cancellation for Child Care Providers

SEC. 221. LOAN CANCELLATION.

Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (H), (I), and (J), respectively; and

(B) by inserting after subparagraph (F), the following:

''(G) as a full-time child care provider or educator—

''(i) in a child care facility operated by an entity that meets the applicable State or local government licensing, certification, approval, or registration requirements, if any; and

''(ii) who has a degree in early childhood education;''; and

(2) in paragraph (3)(A)—

(A) in clause (i), by striking ''(G), (H), or (I)'' and inserting ''(H), (I), or (J)''; and

(B) in clause (ii), by inserting ''or (G)'' after ''subparagraph (B)''.

TITLE III—EXPANDING THE AVAILABILITY AND QUALITY OF SCHOOL-AGE CHILD CARE

SEC. 301. APPROPRIATIONS FOR AFTER-SCHOOL CARE.

(a) GRANTS.—Section 418 of the Social Security Act (42 U.S.C. 618), as amended by section 201, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

''(e) GRANTS TO INCREASE THE AVAILABILITY AND QUALITY OF SCHOOL-AGE CHILD CARE.—

''(1) SECRETARIAL AUTHORITY.—The Secretary shall use the amounts appropriated under paragraph (2) to make grants to States in accordance with this subsection.

''(2) APPROPRIATION.—For grants under this section, there are appropriated—

''(A) $150,000,000 for fiscal year 2000;

''(B) $200,000,000 for fiscal year 2001;

''(C) $300,000,000 for fiscal year 2002;

''(D) $350,000,000 for fiscal year 2003; and

''(E) $1,000,000,000 for fiscal year 2004.

''(3) ALLOTMENTS TO STATES.—The amounts appropriated under paragraph (2) for payments to States under this paragraph shall be allotted among the States in the same manner as amounts (including the redistribution of unused amounts) are allotted or redistributed, as the case may be, under subsection (a)(2), except that the matching requirement of subsection (a)(2)(C) shall not apply to a grant made under this subsection.

''(4) USE OF FUNDS.—Funds received by a State through a grant made under this subsection shall be used for the provision of child care services before and after regular school hours and during months in which schools are not in session.''.

(b) DEFINITION OF ELIGIBLE CHILD.—Section 658P(4)(A) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(A)) is amended by striking ''13'' and inserting ''16''.

SEC. 302. AMENDMENTS TO THE 21ST CENTURY COMMUNITY LEARNING CENTERS ACT.

(a) PROGRAM AUTHORIZATION.—Section 10903 of the 21st Century Community Learning Centers Act (20 U.S.C. 8243) is amended—

(1) in subsection (a)—

(A) by striking ''rural and inner-city''; and

(B) by striking ''a rural or inner-city community'' and inserting ''communities'';

(2) in subsection (b), by striking '', among urban and rural areas of the United States, and among urban and rural areas of a State'';

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

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

''(c) PRIORITY OF DISTRIBUTION.—In awarding grants under this part, the Secretary shall give priority to rural, urban, and low-income communities.''.

(b) APPLICATION REQUIREMENTS.—Section 10904 of the 21st Century Community Learning Centers Act (20 U.S.C. 8244) is amended—

(1) in subsection (a)(3)(B), by inserting '', including the programs under the Child Care and Development Block Grant Act of 1990, '' after ''coordinated''; and

(2) in subsection (b), by striking ''a broad selection'' and all that follows and inserting ''child care services before or after regular school hours that include mentoring programs, academic assistance, recreational activities, or technology training, and that may include drug, alcohol, and gang prevention, job skills preparation, or health and nutrition counseling.''.

(c) USES OF FUNDS.—Section 10905 of the 21st Century Community Learning Centers Act (20 U.S.C. 8245) is amended—

(1) in the matter preceding paragraph (1), by striking ''not less than four'' and inserting ''any''; and

(2) by striking paragraph (3) and inserting the following:

''(3) Child care services.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 10907 of the 21st Century Community Learning Centers Act (20 U.S.C. 8247) is amended by striking ''$20,000,000 for fiscal year 1995'' and inserting ''$600,000,000 for fiscal year 1999''.

TITLE IV—SUPPORTING FAMILY CHOICES IN CHILD CARE

SEC. 401. EXPANDING THE DEPENDENT CARE TAX CREDIT.

(a) PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES DETERMINED BY TAXPAYER STATUS.—Section 21(a)(2) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(A) except as provided in subparagraph (B), 50 percent reduced (but not below 20 percent) by 1 percentage point for each $1,000, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000, and

''(B) in the case of employment-related expenses described in subsection (e)(11), 50 percent reduced (but not below zero) by 1 percentage point for each $800, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000.''.

(b) INFLATION ADJUSTMENT FOR ALLOWABLE EXPENSES.—Section 21(c) of the Internal Revenue Code of 1986 (relating to dollar limit on amount creditable) is amended by striking ''The amount determined'' and inserting ''In the case of any taxable year beginning after 1999, each dollar amount referred to in paragraphs (1) and (2) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1998' for 'calendar year 1992' in subparagraph (B) thereof. If any dollar amount after being increased under the preceding sentence is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10. The amount determined''.

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

SEC. 402. MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.

(a) IN GENERAL.—Section 21(e) of the Internal Revenue Code of 1986 (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to such qualifying individuals in an amount equal to the sum of—

''(A) $90 for each month in such taxable year during which at least one of such qualifying individuals is under the age of 1, and

''(B) the amount of employment-related expenses otherwise incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph).''.

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

SEC. 403. CREDIT MADE REFUNDABLE.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended—

(1) by redesignating section 35 as section 36, and

(2) by redesignating section 21 as section 35.

(b) ADVANCE PAYMENT OF CREDIT.—Chapter 25 of such Code (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

''SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

''(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

''(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

''(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

''(5) states the number of qualifying individuals in the household maintained by the employee, and

''(6) estimates the amount of employment-related expenses for the calendar year.

''(c) DEPENDENT CARE ADVANCE AMOUNT.—

''(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

''(A) on the basis of the employee's wages from the employer for such period,

''(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

''(C) in accordance with tables provided by the Secretary.

''(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

''(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 35 shall have the respective meanings given such terms by section 35.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 35(a)(1) of such Code, as redesignated by paragraph (1), is amended by striking ''chapter'' and inserting ''subtitle''.

(2) Section 35(e) of such Code, as so redesignated and amended by subsection (c), is amended by adding at the end the following:

''(12) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply for purposes of this section.''.

(3) Sections 23(f)(1) and 129(a)(2)(C) of such Code are each amended by striking ''section 21(e)'' and inserting ''section 35(e)''.

(4) Section 129(b)(2) of such Code is amended by striking ''section 21(d)(2)'' and inserting ''section 35(d)(2)''.

(5) Section 129(e)(1) of such Code is amended by striking ''section 21(b)(2)'' and inserting ''section 35(b)(2)''.

(6) Section 213(e) of such Code is amended by striking ''section 21'' and inserting ''section 35''.

(7) Section 995(f)(2)(C) of such Code is amended by striking ''and 34'' and inserting ''34, and 35''.

(8) Section 6211(b)(4)(A) of such Code is amended by striking ''and 34'' and inserting '', 34, and 35''.

(9) Section 6213(g)(2)(H) of such Code is amended by striking ''section 21'' and inserting ''section 35''.

(10) Section 6213(g)(2)(L) of such Code is amended by striking ''section 21, 24, or 32'' and inserting ''section 24, 32, or 35''.

(11) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Dependent care services.

''Sec. 36. Overpayments of tax.''.

(12) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(13) The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following:

''Sec. 3507A. Advance payment of dependent care credit.''.

(14) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period '', or enacted by the Child Care ACCESS (Affordable Child Care for Early Success and Security) Act''.

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

TITLE V—ENCOURAGING PRIVATE SECTOR INVOLVEMENT

SEC. 501. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

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

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

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

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of a qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation,

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, or

''(iv) under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) LIMITATION ON ALLOWABLE OPERATING COSTS.—The term 'qualified child care expenditure' shall not include any amount described in subparagraph (A)(ii) if such amount is paid or incurred after the third taxable year in which a credit under this section is taken by the taxpayer, unless the qualified child care facility of the taxpayer has received accreditation from a nationally recognized accrediting body before the end of such third taxable year.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the costs to employees of child care services at such facility are determined on a sliding fee scale.

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following new paragraph:

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

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

SEC. 502. GRANTS TO SUPPORT PUBLIC-PRIVATE PARTNERSHIPS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a program to award grants to local communities for the purpose of expanding the availability of, and improving the quality of, child care on a community-wide basis.

(b) APPLICATION.—To be eligible to receive a grant under this section, a local community shall prepare and submit to the Secretary an application at such time and in such manner as the Secretary may require, and that includes—

(1) an assurance that the matching funds required under subsection (c) will be provided;

(2) evidence of collaboration with parents, schools, employers, State and local government agencies, and child care agencies, including resource and referral agencies, in the preparation of the application;

(3) an assessment of child care resources and needs within the community; and

(4) any additional information that the Secretary may require.

(c) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section a local community shall provide assurances to the Secretary that the community will provide matching funds in the amount of $1 for every $2 provided under the grant. Such funds shall be generated from private sources, including employers and philanthropic organizations.

(d) USE OF FUNDS.—A local community shall use the funds provided under a grant awarded under this section only for the purposes described in subsection (a).

(e) ADMINISTRATION.—A local community awarded a grant under this section may authorize a public or nonprofit entity within the community to act as the fiscal agent for the administration of the program funded under the grant.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2000 through 2004.

TITLE VI—ENSURING THE QUALITY OF FEDERAL CHILD CARE CENTERS

SEC. 601. QUALITY CHILD CARE FOR FEDERAL EMPLOYEES.

(a) DEFINITIONS.—In this section:

(1) ACCREDITED CHILD CARE CENTER.—The term ''accredited child care center'' means—

(A) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in subparagraph (B));

(B) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

(C) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

(D) a military child development center (as defined in section 1798(1) of title 10, United States Code).

(2) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term ''child care credentialing or accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or tribal organization; and

(B) accredits a center or credentials an individual to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

(iii) outside monitoring of the center or individual; and

(iv) criteria that provide assurances of—

(I) compliance with age-appropriate health and safety standards at the center or by the individual;

(II) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

(III) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

(3) CREDENTIALED CHILD CARE PROFESSIONAL.—The term ''credentialed child care professional'' means—

(A) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in subparagraph (B)); or

(B) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

(4) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

(b) PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.—

(1) DEFINITIONS.—In this subsection:

(A) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(B) ENTITY SPONSORING A CHILD CARE CENTER.—The term ''entity sponsoring a child care center'' means a Federal agency that operates, or an entity that enters into a contract or licensing agreement with a Federal agency to operate, a child care center.

(C) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(i) does not include the Department of Defense; and

(ii) includes the General Services Administration, with respect to the administration of a facility described in subparagraph (D)(ii).

(D) EXECUTIVE FACILITY.—The term ''executive facility''—

(i) means a facility that is owned or leased by an Executive agency; and

(ii) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(E) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a judicial office, or a legislative office.

(F) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office (other than a facility that is also a facility described in subparagraph (D)(ii)).

(G) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(H) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(I) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(2) EXECUTIVE BRANCH STANDARDS AND COMPLIANCE.—

(A) STATE AND LOCAL LICENSING REQUIREMENTS.—

(i) IN GENERAL.—Any entity sponsoring a child care center in an executive facility shall—

(I) obtain the appropriate State and local licenses for the center; and

(II) in a location where the State or locality does not license executive facilities, comply with the appropriate State and local licensing requirements related to the provision of child care.

(ii) COMPLIANCE.—Not later than 6 months after the date of enactment of this Act—

(I) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with clause (i); and

(II) any contract or licensing agreement used by an Executive agency for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the appropriate State and local licensing requirements related to the provision of child care.

(B) HEALTH, SAFETY, AND FACILITY STANDARDS.—The Administrator shall by regulation establish standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care centers in executive facilities, and require child care centers, and entities sponsoring child care centers, in executive facilities to comply with the standards.

(C) ACCREDITATION STANDARDS.—

(i) IN GENERAL.—The Administrator shall issue regulations requiring, to the maximum extent possible, any entity sponsoring an eligible child care center (as defined by the Administrator) in an executive facility to comply with child care center accreditation standards issued by a nationally recognized accreditation organization approved by the Administrator.

(ii) COMPLIANCE.—The regulations shall require that, not later than 5 years after the date of enactment of this Act—

(I) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(II) any contract or licensing agreement used by an Executive agency for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the standards.

(iii) CONTENTS.—The standards shall base accreditation on—

(I) an accreditation instrument described in subsection (a)(2)(B);

(II) outside monitoring described in subsection (a)(2)(B), by—

(aa) the Administrator; or

(bb) a child care credentialing or accreditation entity, or other entity, with which the Administrator enters into a contract to provide such monitoring; and

(III) the criteria described in subsection (a)(2)(B).

(D) EVALUATION AND COMPLIANCE.—

(i) IN GENERAL.—The Administrator shall evaluate the compliance, with the requirements of subparagraph (A) and the regulations issued pursuant to subparagraphs (B) and (C), of child care centers, and entities sponsoring child care centers, in executive facilities. The Administrator may conduct the evaluation of such a child care center or entity directly, or through an agreement with another Federal agency or private entity, other than the Federal agency for which the child care center is providing services. If the Administrator determines, on the basis of such an evaluation, that the child care center or entity is not in compliance with the requirements, the Administrator shall notify the Executive agency.

(ii) EFFECT OF NONCOMPLIANCE.—On receipt of the notification of noncompliance issued by the Administrator, the head of the Executive agency shall—

(I) if the entity operating the child care center is the agency—

(aa) within 2 business days after the date of receipt of the notification, correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(bb) develop and provide to the Administrator a plan to correct any other deficiencies in the operation of the center and bring the center and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(cc) provide the parents of the children receiving child care services at the center with a notification detailing the deficiencies described in items (aa) and (bb) and actions that will be taken to correct the deficiencies;

(dd) bring the center and entity into compliance with the requirements and certify to the Administrator that the center and entity

are in compliance, based on an onsite evaluation of the center conducted by an independent entity with expertise in child care health and safety; and

(ee) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the center or portion of the center where the deficiency was identified until such deficiencies are corrected and notify the Administrator of such closure; and

(II) if the entity operating the child care center is a contractor or licensee of the Executive agency—

(aa) require the contractor or licensee within 2 business days after the date of receipt of the notification, to correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm:

(bb) require the contractor or licensee to develop and provide to the head of the agency a plan to correct any other deficiencies in the operation of the center and bring the center and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(cc) require the contractor or licensee to provide the parents of the children receiving child care services at the center with a notification detailing the deficiencies described in items (aa) and (bb) and actions that will be taken to correct the deficiencies;

(dd) require the contractor or licensee to bring the center and entity into compliance with the requirements and certify to the head of the agency that the center and entity are in compliance, based on an onsite evaluation of the center conducted by an independent entity with expertise in child care health and safety; and

(ee) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the center or portion of the center where the deficiency was identified until such deficiencies are corrected and notify the Administrator of such closure, which closure shall be grounds for the immediate termination or suspension of the contract or license of the contractor or licensee.

(iii) COST REIMBURSEMENT.—The Executive agency shall reimburse the Administrator for the costs of carrying out clause (i) for child care centers located in an executive facility other than an executive facility of the General Services Administration. If an entity is sponsoring a child care center for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement with respect to the entity among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the center.

(3) LEGISLATIVE BRANCH STANDARDS AND COMPLIANCE.—

(A) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Architect of the Capitol shall issue regulations approved by the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives for child care centers, and entities sponsoring child care centers, in legislative facilities, which shall be no less stringent in content and effect than the requirements of paragraph (2)(A) and the regulations issued by the Administrator under subparagraphs (B) and (C) of paragraph (2), except to the extent that the Architect with the consent and approval of the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives, may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in subparagraphs (A), (B), and (C) of paragraph (2) for child care centers, and entities sponsoring child care centers, in legislative facilities.

(B) EVALUATION AND COMPLIANCE.—

(i) ARCHITECT OF THE CAPITOL.—The Architect of the Capitol shall have the same authorities and duties with respect to the evaluation of, compliance of, and cost reimbursement for child care centers, and entities sponsoring child care centers, in legislative facilities as the Administrator has under paragraph (2)(D) with respect to the evaluation of, compliance of, and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(ii) HEAD OF A LEGISLATIVE OFFICE.—The head of a legislative office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care centers, and entities sponsoring child care centers, in legislative facilities as the head of an Executive agency has under paragraph (2)(D) with respect to the compliance of and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(4) JUDICIAL BRANCH STANDARDS AND COMPLIANCE.—

(A) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for child care centers, and entities sponsoring child care centers, in judicial facilities, which shall be no less stringent in content and effect than the requirements of paragraph (2)(A) and the regulations issued by the Administrator under subparagraphs (B) and (C) of paragraph (2), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in subparagraphs (A), (B), and (C) of paragraph (2) for child care centers, and entities sponsoring child care centers, in judicial facilities.

(B) EVALUATION AND COMPLIANCE.—

(i) DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.—The Director of the Administrative Office of the United States Courts shall have the same authorities and duties with respect to the evaluation of, compliance of, and cost reimbursement for child care centers, and entities sponsoring child care centers, in judicial facilities as the Administrator has under paragraph (2)(D) with respect to the evaluation of, compliance of, and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(ii) HEAD OF A JUDICIAL OFFICE.—The head of a judicial office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care centers, and entities sponsoring child care centers, in judicial facilities as the head of an Executive agency has under paragraph (2)(D) with respect to the compliance of and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(5) APPLICATION.—Notwithstanding any other provision of this section, if 8 or more child care centers are sponsored in facilities owned or leased by an Executive agency, the Administrator shall delegate to the head of the agency the evaluation and compliance responsibilities assigned to the Administrator under paragraph (2)(D)(i).

(6) TECHNICAL ASSISTANCE, STUDIES, AND REVIEWS.—The Administrator may provide technical assistance, and conduct and provide the results of studies and reviews, for Executive agencies, and entities sponsoring child care centers in executive facilities, on a reimbursable basis, in order to assist the entities in complying with this section. The Architect of the Capitol and the Director of the Administrative Office of the United States Courts may provide technical assistance, and conduct and provide the results of studies and reviews, or request that the Administrator provide technical assistance, and conduct and provide the results of studies and reviews, for legislative offices and judicial offices, respectively, and entities operating child care centers in legislative facilities and judicial facilities, respectively, on a reimbursable basis, in order to assist the entities in complying with this section.

(7) COUNCIL.—The Administrator shall establish an interagency council, comprised of all Executive agencies described in paragraph (5), a representative of the Office of Architect of the Capitol, and a representative of the Administrative Office of the United States Courts, to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care in the Federal Government.

(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 1999 and such sums as may be necessary for each subsequent fiscal year.

TITLE VI—CHILD CARE IN FEDERAL FACILITIES

SEC. 601. SHORT TITLE.

This title may be cited as the ''Quality Child Care for Federal Employees Act''.

SEC. 602. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.

(a) DEFINITION.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) CHILD CARE ACCREDITATION ENTITY.—The term ''child care accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or by a national organization that serves as a peer review panel on the standards and procedures of public and private child care or school accrediting bodies; and

(B) accredits a facility to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State or local licensing requirements, as appropriate, for the facility;

(iii) outside monitoring of the facility; and

(iv) criteria that provide assurances of—

(I) use of developmentally appropriate health and safety standards at the facility;

(II) use of developmentally appropriate educational activities, as an integral part of the child care program carried out at the facility; and

(III) use of ongoing staff development or training activities for the staff of the facility, including related skills-based testing.

(3) ENTITY SPONSORING A CHILD CARE FACILITY.—The term ''entity sponsoring a child care facility'' means a Federal agency that operates, or an entity that enters into a contract or licensing agreement with a Federal agency to operate, a child care facility primarily for the use of Federal employees.

(4) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(A) does not include the Department of Defense and the Coast Guard; and

(B) includes the General Services Administration, with respect to the administration of a facility described in paragraph (5)(B).

(5) EXECUTIVE FACILITY.—The term ''executive facility''—

(A) means a facility that is owned or leased by an Executive agency; and

(B) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(6) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a legislative office, or a judicial office.

(7) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office (other than a facility that is also a facility described in paragraph (4)(B)).

(8) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(9) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(10) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(11) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

(b) EXECUTIVE BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—Any entity sponsoring a child care facility in an executive facility shall—

(i) comply with child care standards described in paragraph (2) that, at a minimum, include all applicable State or local licensing requirements, as appropriate, related to the provision of child care in the State or locality involved; and

(ii) obtain the applicable State or local licenses, as appropriate, for the facility.

(B) COMPLIANCE.—Not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with subparagraph (A); and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in such child care facility shall include a condition that the child care be provided by an entity that complies with the standards described in subparagraph (A)(i) and obtains the licenses described in subparagraph (A)(ii).

(2) HEALTH, SAFETY, AND FACILITY STANDARDS.—The Administrator shall by regulation establish standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care in executive facilities, and require child care facilities, and entities sponsoring child care facilities, in executive facilities to comply with the standards. Such standards shall include requirements that child care facilities be inspected for, and be free of, lead hazards.

(3) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring, to the maximum extent possible, any entity sponsoring an eligible child care facility (as defined by the Administrator) in an executive facility to comply with standards of a child care accreditation entity.

(B) COMPLIANCE.—The regulations shall require that, not later than 2 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in such child care facility shall include a condition that the child care be provided by an entity that complies with the standards.

(4) EVALUATION AND COMPLIANCE.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance, with the requirements of paragraph (1) and the regulations issued pursuant to paragraphs (2) and (3), as appropriate, of child care facilities, and entities sponsoring child care facilities, in executive facilities. The Administrator may conduct the evaluation of such a child care facility or entity directly, or through an agreement with another Federal agency or private entity, other than the Federal agency for which the child care facility is providing services. If the Administrator determines, on the basis of such an evaluation, that the child care facility or entity is not in compliance with the requirements, the Administrator shall notify the Executive agency.

(B) EFFECT OF NONCOMPLIANCE.—On receipt of the notification of noncompliance issued by the Administrator, the head of the Executive agency shall—

(i) if the entity operating the child care facility is the agency—

(I) not later than 2 business days after the date of receipt of the notification, correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) develop and provide to the Administrator a plan to correct any other deficiencies in the operation of the child care facility and bring the facility and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(III) provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) bring the child care facility and entity into compliance with the requirements and certify to the Administrator that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until such deficiencies are corrected and notify the Administrator of such closure; and

(ii) if the entity operating the child care facility is a contractor or licensee of the Executive agency—

(I) require the contractor or licensee, not later than 2 business days after the date of receipt of the notification, to correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) require the contractor or licensee to develop and provide to the head of the agency a plan to correct any other deficiencies in the operation of the child care facility and bring the facility and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(III) require the contractor or licensee to provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and to post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) require the contractor or licensee to bring the child care facility and entity into compliance with the requirements and certify to the head of the agency that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until such deficiencies are corrected and notify the Administrator of such closure, which closure may be grounds for the immediate termination or suspension of the contract or license of the contractor or licensee.

(C) COST REIMBURSEMENT.—The Executive agency shall reimburse the Administrator for the costs of carrying out subparagraph (A) for child care facilities located in an executive facility other than an executive facility of the General Services Administration. If an entity is sponsoring a child care facility for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement with respect to the entity among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the facility.

(5) DISCLOSURE OF PRIOR VIOLATIONS TO PARENTS AND FACILITY EMPLOYEES.—The Administrator shall issue regulations that require that each entity sponsoring a child care facility in an executive facility, upon receipt by the child care facility or the entity (as applicable) of a request by any individual who is a parent of any child enrolled at the facility, a parent of a child for whom an application has been submitted to enroll at the facility, or an employee of the facility, shall provide to the individual—

(A) copies of all notifications of deficiencies that have been provided in the past with respect to the facility under clause (i)(III) or (ii)(III), as applicable, of paragraph (4)(B); and

(B) a description of the actions that were taken to correct the deficiencies.

(c) LEGISLATIVE BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Chief Administrative Officer of the House of Representatives shall issue regulations, approved by the Committee on House Oversight of the House of Representatives, governing the operation of the House of Representatives Child Care Center. The Librarian of Congress shall issue regulations, approved by the appropriate House and Senate committees with jurisdiction over the Library of Congress, governing the operation of the child care center located at the Library of Congress. Subject to paragraph (3), the head of a designated entity in the Senate shall issue regulations, approved by the Committee on Rules and Administration of the Senate, governing the operation of the Senate Employees' Child Care Center.

(B) STRINGENCY.—The regulations described in subparagraph (A) shall be no less stringent in content and effect than the requirements of subsection (b)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (b), except to the extent that appropriate administrative officers, with the approval of the appropriate House or Senate committees with oversight responsibility for the centers, may jointly or independently determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in paragraphs (1), (2), and (3) of subsection (b) for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities.

(2) EVALUATION AND COMPLIANCE.—

(A) ADMINISTRATION.—Subject to paragraph (3), the Chief Administrative Officer of the House of Representatives, the head of the designated Senate entity, and the Librarian of Congress, shall have the same authorities and duties—

(i) with respect to the evaluation of, compliance of, and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities as the Administrator has under subsection (b)(4) with respect to the evaluation of, compliance of, and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities; and

(ii) with respect to issuing regulations requiring the entities sponsoring child care facilities in the corresponding legislative facilities to provide notifications of deficiencies and descriptions of corrective actions as the Administrator has under subsection (b)(5) with respect to issuing regulations requiring the entities sponsoring child care facilities in executive facilities to provide notifications of deficiencies and descriptions of corrective actions.

(B) ENFORCEMENT.—Subject to paragraph (3), the Committee on House Oversight of the House of Representatives and the Committee on Rules and Administration of the Senate, as appropriate, shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities as the head of an Executive agency has under subsection (b)(4) with respect to the compliance of and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities.

(3) INTERIM STATUS.—Until such time as the Committee on Rules and Administration of the Senate establishes, or the head of the designated Senate entity establishes, standards described in paragraphs (1), (2), and (3) of subsection (b) governing the operation of the Senate Employees' Child Care Center, such facility shall maintain current accreditation status.

(d) JUDICIAL BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for child care facilities, and entities sponsoring child care facilities, in judicial facilities, which shall be no less stringent in content and effect than the requirements of subsection (b)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (b), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in paragraphs (1), (2), and (3) of subsection (b) for child care facilities, and entities sponsoring child care facilities, in judicial facilities.

(2) EVALUATION AND COMPLIANCE.—

(A) DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.—The Director of the Administrative Office of the United States Courts shall have the same authorities and duties—

(i) with respect to the evaluation of, compliance of, and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in judicial facilities as the Administrator has under subsection (b)(4) with respect to the evaluation of, compliance of, and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities; and

(ii) with respect to issuing regulations requiring the entities sponsoring child care facilities in the judicial facilities to provide notifications of deficiencies and descriptions of corrective actions as the Administrator has under subsection (b)(5) with respect to issuing regulations requiring the entities sponsoring child care facilities in executive facilities to provide notifications of deficiencies and descriptions of corrective actions.

(B) HEAD OF A JUDICIAL OFFICE.—The head of a judicial office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in judicial facilities as the head of an Executive agency has under subsection (b)(4) with respect to the compliance of and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities.

(e) APPLICATION.—Notwithstanding any other provision of this section, if 8 or more child care facilities are sponsored in facilities owned or leased by an Executive agency, the Administrator shall delegate to the head of the agency the evaluation and compliance responsibilities assigned to the Administrator under subsection (b)(4)(A).

(f) TECHNICAL ASSISTANCE, STUDIES, AND REVIEWS.—The Administrator may provide technical assistance, and conduct and provide the results of studies and reviews, for Executive agencies, and entities sponsoring child care facilities in executive facilities, on a reimbursable basis, in order to assist the entities in complying with this section. The Chief Administrative Officer of the House of Representatives, the Librarian of Congress, the head of the designated Senate entity described in subsection (c), and the Director of the Administrative Office of the United States Courts may provide technical assistance, and conduct and provide the results of studies and reviews, or request that the Administrator provide technical assistance, and conduct and provide the results of studies and reviews, for the corresponding legislative offices and judicial offices, and entities operating child care facilities in the corresponding legislative facilities and judicial facilities, on a reimbursable basis, in order to assist the entities in complying with this section.

(g) COUNCIL.—The Administrator shall establish an interagency council, comprised of representatives of all Executive agencies that are entities sponsoring child care facilities, a representative of the Chief Administrative Officer of the House of Representatives, a representative of the designated Senate entity described in subsection (c), a representative of the Librarian of Congress, and a representative of the Administrative Office of the United States Courts, to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care, including the provision of areas for nursing mothers and other lactation support facilities and services, in the Federal Government.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 2000 and such sums as may be necessary for each subsequent fiscal year.

SEC. 603. CHILD CARE SERVICES FOR FEDERAL EMPLOYEES.

(a) IN GENERAL.—In addition to services authorized to be provided by an agency of the United States pursuant to section 616 of Public Law 100–202 (40 U.S.C. 490b), an Executive agency that provides or proposes to provide child care services for Federal employees may use agency funds to provide the child care services, in a facility that is owned or leased by an Executive agency, or through a contractor, for civilian employees of such agency.

(b) AFFORDABILITY.—Funds so used with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by such facility or contractor.

(c) REGULATIONS.—The Director of the Office of Personnel Management, and the Administrator of the General Services Administration, shall, within 180 days after the date of enactment of this Act, jointly issue regulations necessary to carry out this section.

(d) DEFINITION.—For purposes of this section, the term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, but does not include the General Accounting Office.

SEC. 604. MISCELLANEOUS PROVISIONS RELATING TO CHILD CARE PROVIDED BY FEDERAL AGENCIES.

(a) AVAILABILITY OF FEDERAL CHILD CARE CENTERS FOR ONSITE CONTRACTORS; PERCENTAGE GOAL.—Section 616(a) of Public Law 100–202 (40 U.S.C. 490b(a)) is amended—

(1) in subsection (a), by striking paragraphs (2) and (3) and inserting the following:

''(2) such officer or agency determines that such space will be used to provide child care and related services to—

''(A) children of Federal employees or onsite Federal contractors; or

''(B) dependent children who live with Federal employees or onsite Federal contractors; and

''(3) such officer or agency determines that such individual or entity will give priority for available child care and related services in such space to Federal employees and onsite Federal contractors.''; and

(2) by adding at the end the following:

''(e)(1)(A) The Administrator of General Services shall confirm that at least 50 percent of aggregate enrollment in Federal child care centers governmentwide are children of Federal employees or onsite Federal contractors, or dependent children who live with Federal employees or onsite Federal contractors.

''(B) Each provider of child care services at an individual Federal child care center shall maintain 50 percent of the enrollment at the center of children described under subparagraph (A) as a goal for enrollment at the center.

''(C) If enrollment at a center does not meet the percentage goal under subparagraph (B), the provider shall develop and implement a business plan with the sponsoring Federal agency to achieve the goal within a reasonable timeframe. Such plan shall be approved by the Administrator of General Services based on—

''(i) compliance of the plan with standards established by the Administrator; and

''(ii) the effect of the plan on achieving the aggregate Federal enrollment percentage goal.

''(2) The Administrator of General Services Administration may enter into public-private partnerships or contracts with nongovernmental entities to increase the capacity, quality, affordability, or range of child care and related services and may, on a demonstration basis, waive subsection (a)(3) and paragraph (1) of this subsection.''.

(b) PAYMENT OF COSTS OF TRAINING PROGRAMS.—Section 616(b)(3) of such Public Law (40 U.S.C. 490b(b)(3)) is amended to read as follows:

''(3) If an agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency or the General Services Administration may pay accreditation fees, including renewal fees, for that center to be accredited. Any agency, department, or instrumentality of the United States that provides or proposes to provide child care services for children referred to in subsection (a)(2), may reimburse any Federal employee or any person employed to provide such services for the costs of training programs, conferences, and meetings and related travel, transportation, and subsistence expenses incurred in connection with those activities. Any per diem allowance made under this section shall not exceed the rate specified in regulations prescribed under section 5707 of title 5, United States Code.''.

(c) PROVISION OF CHILD CARE BY PRIVATE ENTITIES.—Section 616(d) of such Public Law (40 U.S.C. 490b(d)) is amended to read as follows:

''(d)(1) If a Federal agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency, the child care center board of directors, or the General Services Administration may enter into an agreement with 1 or more private entities under which such private entities would assist in defraying the general operating expenses of the child care providers including salaries and tuition assistance programs at the facility.

''(2)(A) Notwithstanding any other provision of law, if a Federal agency does not have a child care program, or if the Administrator of General Services has identified a need for child care for Federal employees at an agency providing child care services that do not meet the requirements of subsection (a), the agency or the Administrator may enter into an agreement with a non-Federal, licensed, and accredited child care facility, or a planned child care facility that will become licensed and accredited, for the provision of child care services for children of Federal employees.

''(B) Before entering into an agreement, the head of the Federal agency shall determine that child care services to be provided through the agreement are more cost effectively provided through such arrangement than through establishment of a Federal child care facility.

''(C) The agency may provide any of the services described in subsection (b)(3) if, in exchange for such services, the facility reserves child care spaces for children referred to in subsection (a)(2), as agreed to by the parties. The cost of any such services provided by an agency to a child care facility on behalf of another agency shall be reimbursed by the receiving agency.

''(3) This subsection does not apply to residential child care programs.''.

(d) PILOT PROJECTS.—Section 616 of such Public Law (40 U.S.C. 490b) is further amended by adding at the end the following:

''(f)(1) Upon approval of the agency head, an agency may conduct a pilot project not otherwise authorized by law for no more than 2 years to test innovative approaches to providing alternative forms of quality child care assistance for Federal employees. An agency head may extend a pilot project for an additional 2-year period. Before any pilot project may be implemented, a determination shall be made by the agency head that initiating the pilot project would be more cost-effective than establishing a new child care facility. Costs of any pilot project shall be borne solely by the agency conducting the pilot project.

''(2) The Administrator of General Services shall serve as an information clearinghouse for pilot projects initiated by other agencies to disseminate information concerning the pilot projects to the other agencies.

''(3) Within 6 months after completion of the initial 2-year pilot project period, an agency conducting a pilot project under this subsection shall provide for an evaluation of the impact of the project on the delivery of child care services to Federal employees, and shall submit the results of the evaluation to the Administrator of General Services. The Administrator shall share the results with other Federal agencies.''.

(e) BACKGROUND CHECK.—Section 616 of such Public Law (40 U.S.C. 490b) is further amended by adding at the end the following:

''(g) Each child care center located in a federally owned or leased facility shall ensure that each employee of such center (including any employee whose employment began before the date of enactment of this subsection) shall undergo a criminal history background check consistent with section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041).''.

SEC. 605. REQUIREMENT TO PROVIDE LACTATION SUPPORT IN NEW FEDERAL CHILD CARE FACILITIES.

(a) DEFINITIONS.—In this section, the terms ''Federal agency'', ''executive facility'', ''judicial facility'', and ''legislative facility'' have the meanings given the terms in section 602.

(b) LACTATION SUPPORT.—The head of each Federal agency shall require that each child care facility in an executive facility or a legislative facility that is first operated after the 1-year period beginning on the date of enactment of this Act by the Federal agency, or under a contract or licensing agreement with the Federal agency, shall provide reasonable accommodations for the needs of breast-fed infants and their mothers, including providing a lactation area or a room for nursing mothers in part of the operating plan for the facility.

SEC. 606. FEDERAL CHILD CARE EVALUATION.

(a) DEFINITIONS.—In this section, the terms ''executive facility'', ''judicial facility'', and ''legislative facility'' have the meanings given the terms in section 602.

(b) EVALUATION.—Not later than 1 year after the date of enactment of this Act, the Administrator of the General Services Administration and the Director of the Office of Personnel Management, shall jointly prepare and submit to Congress a report that contains an evaluation, including—

(1) information on the number of children utilizing child care in an executive facility, legislative facility, or judicial facility, including such children who are age 6 through 12, analyzed by age;

(2) information on the number of families not utilizing child care described in paragraph (1) because of cost; and

(3) recommendations for improving the quality and cost effectiveness of child care described in paragraph (1), including options for creating an optimal organizational structure and best practices for the delivery of such child care.

STATEMENT BY THE PRESIDENT

Tonight, in my State of the Union address, I will outline my agenda to help parents struggling to meet their responsibilities at work and at home. This agenda includes an ambitious initiative to make child care safer, better, and more affordable for America's working families. Today, Senator CHRISTOPHER J. DODD (D–CT) and many of his Democratic colleagues in the Senate have taken an important step toward reaching that goal by introducing the Affordable Child Care for Early Success and Security Act (A.C.C.E.S.S.).

This proposal, like mine, significantly increases child care subsidies for poor children, provides greater tax relief to help low- and middle-income families pay for child care and to support parents who chose to stay at home to care for their young children. This plan dramatically increases after-school opportunities, encourages businesses to provide child care for their employees, promotes early learning and school readiness, and improves child care quality.

The Child Care A.C.C.E.S.S. Act builds on the longstanding commitment of Senator DODD and the co-sponsors of this legislation to improving child care for our Nation's children. I look forward to working with Members of Congress in both parties to enact child care legislation this year that will help Americans fulfill their responsibilities as workers, and, even more importantly, as parents.

DEAR SENATOR DODD: The Children's Defense Fund welcomes the introduction of the ACCESS Act. If enacted, it would not only provide significant help to families with young and school-age children, but would also provide communities with important new resources to improve the quality of child care. It would represent a major step by the Congress to recognize the importance of child care in helping to ensure that children

begin school ready to succeed and that parents can work and be independent.

Thank you for your continued leadership on behalf of children. We look forward to working with you towards the passage of this landmark bill.

Sincerely yours,

MARIAN WRIGHT EDELMAN.

DEAR SENATOR DODD: We are writing to express our enthusiastic support for your comprehensive child care legislation, the Affordable Child Care for Early Success and Security (''ACCESS'') Act. As an organization that has been working for over 25 years to improve economic security for women, we know the profound interest that women and their families have in the enactment of effective child care policies. At a time when seven out of ten American women with children work in the paid labor force, it is more critical than ever that families have access to affordable, high-quality child care that will help their children learn and grow.

The child care package you are proposing represents a much-needed new investment in affordable, high-quality child care for America's families. The new funding your bill would add to the Child Care and Development Block Grant will help expand the supply of quality care, especially for infants and toddlers, as well as increase the range of options for the care of school-age children. Your bill's expansion of the Child and Dependent Care Tax Credit, particularly by making the credit refundable, would be of significant assistance in making child care more affordable for millions of families.

We believe that this Congress presents an extraordinary opportunity to move forward on child care, and we hope that members of both parties in both Houses of Congress will come together to make it happen. Your legislation is a major step toward that goal, and we look forward to working with you in the days to come.

Sincerely,

NANCY DUFF CAMPBELL,
Co-President.
JUDITH C. APPELBAUM,
Vice President and Director of Employment Opportunity.
CRISTINA FIRVIDA,
Counsel.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. JOHNSON, Ms. MIKULSKI, Mr. KENNEDY, Mr. TORRICELLI, Mr. DURBIN, Mr. LEAHY, Mrs. BOXER, Mr. DORGAN, Mr. WELLSTONE, Mr. BRYAN, Mr. MOYNIHAN, and Mr. KERRY):

S. 18. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through enhanced enforcement; to the Committee on Agriculture, Nutrition, and Forestry.

SAFER MEAT AND POULTRY ACT

Mr. HARKIN. Mr. President, I am pleased to introduce S. 18 as part of the Democratic package, the SAFER Meat and Poultry Act, a bill that will make meat and poultry products safer for our families and our children. The bill provisions are simple, obvious authorities the USDA needs to assure that meat and poultry products are as safe as possible.

In 1998, we had a record 13 recalls for deadly E. coli 0157:H7, involving more than 2 million pounds of meat products. Tragically, just over the recent holidays, a nationwide outbreak of Listeria was recognized, leading to the massive recall of hotdogs and cold cuts. At least a dozen people lost their lives during that outbreak just over the recent holiday season.

Just last Friday, another recall for Listeria was announced. So despite the progress we have made in controlling some foodborne pathogens through improved meat inspection laws, problems with other pathogens may be getting worse.

Mr. President, the bill really is targeted at kids, because it is our kids who are the most vulnerable. And this chart shows that. These are the numbers of cases just for the State of Iowa. And as you see by age, here is the number of cases. Here are the ages: 0 to 5, 6 to 10, up to 80 years of age. You can see, the bulk of the illnesses from foodborne pathogens happens when you are less than 6 years of age—our kids who have not built up the immunity that they need that get the sickest from these foodborne pathogens. This is for Salmonella, E. coli, and Campylobacter. It is really necessary to protect our children from these pathogens.

S. 18 strengthens our laws in a number of ways. One is to give the Secretary of Agriculture the authority to mandate a recall. Most people assume that the Secretary has this authority, but he does not. Some argue that a packer or distributor will recall the tainted meat voluntarily, but recalls don't always go smoothly.

In June of last year, a company challenged the USDA on a Federal test for E. coli. The Federal test showed E. coli was there. The company said no, it was not. They contested it. And, therefore, valuable time was lost in recalling that meat product.

Consumers were shocked in 1997 by the largest recall in history, when a Hudson plant recalled 25 million pounds of ground beef linked to illnesses.

When the Secretary of Agriculture is given recall authority, he can mandate what tasks must be done and whose responsibility these tasks will be. Communication is the most essential element of a timely recall.

Another provision of the bill gives the Secretary the authority to levy civil fines for violations of meat and poultry laws. Right now, all the Secretary can do is close a plant down. That may not be the wisest course of action. You have people working there. It would put people out of work. The problem may not be their fault at all.

Last year, the USDA referred dozens of cases for criminal prosecution for violation of meat and poultry laws. So clearly the current authorities are not an adequate incentive to protect consumer safety.

I have here a chart, Mr. President, that shows what civil penalty authority the Secretary has. For example, if there is an introduction of an animal disease anywhere in the United States, the Secretary of Agriculture can levy a fine. If you mistreat an animal, you can be fined by the Secretary of Agriculture. If you have a deceptive practice, if you violate the Pecan Promotion Act, you can be fined by the Secretary of Agriculture. But if you violate the food safety laws, you cannot be fined.

Civil fines are consistent with the new HACCP regulation for meat and poultry processing, and provide a ''just right'' option for the Secretary to assure compliance with food safety laws.

What the Secretary has is an atom bomb. He can drop the atom bomb and close the plant down, which may not be the best course of action, but he cannot levy a civil fine, which may be the best action for certain violations.

Finally, the bill requires, Mr. President, that someone who knows about a contaminated food product, other than a consumer, must notify the Secretary of Agriculture. These are commonsense authorities.

Last year we saw a 50% increase in outbreaks, and a record number of recalls for the deadly E. coli O157–H7 in ground beef. More and more testing is done by grocery stores, and by purchasers for school lunch programs and restaurant chains. This bill would require that these parties notify the Secretary of Agriculture when there is a positive test. This law would allow public health authorities to oversee a recall that is timely and complete, and truly protects people from devastating illness.

These are common sense authorities that most consumers assume the Secretary already has. I hope my colleagues will join me in supporting this important piece of food safety legislation.

I also wish to indicate my strong support for legislation introduced today that will help restore and enhance farm income protection. Our farm sector, including livestock and crop production, is experiencing one of the worst downturns in over a decade. Pork producers have just experienced the worst real hog prices in history. There's a critical need for Congress to respond to this financial crisis that is threatening the livelihoods and life savings of America's farm families, and eroding the economies of rural communities.

I hope my colleagues will join me in supporting this good, important piece of food safety legislation.

Mr. KENNEDY. Mr. President, I am pleased to be a sponsor of this important bill, and I commend Senator HARKIN for his leadership on this issue. With the high incidence of foodborne

illnesses, it is essential for regulatory agencies to have the authority necessary to prevent or minimize outbreaks of these illnesses, and combat food contamination.

Microbial contamination of food is an increasing problem. The emergence of highly virulent strains of common bacteria, such as E. coli 0157, is a significant cause of foodborne illnesses. Common infections that were once easily treatable are now a major public health threat, as the microorganisms acquire the ability to resist destruction by antibiotics.

The current enforcement authority of the Department of Agriculture is not sufficient. Our bill gives the Secretary of Agriculture the additional authority he needs in order to recall adulterated or misbranded meat or poultry products, and to assess civil penalties against processors who repeatedly violate meat and poultry safety standards. Most processors comply responsibly with USDA requests for voluntary recalls of unsafe products. This additional authority will ensure more timely and comprehensive removal of potentially dangerous foods from supermarket shelves.

Such new enforcement tools are necessary to improve food safety in general and to reduce the risk of future outbreaks of foodborne illnesses. Families across the country deserve to have confidence that the meat and poultry they eat are safe, and I look forward to early action by Congress on this important legislation.

Assurance of safe meat and poultry is just one part of the challenge of guaranteeing safe food. The safety of produce and of processed food, including imported food, is the responsibility of the Food and Drug Administration and a major part of President Clinton's Food Safety Initiative. I plan to develop legislation, in cooperation with other Senators, to ensure that no matter where our food is grown, processed, or packaged, it meets uniform high standards of safety.

By Mr. LAUTENBERG (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. LEVIN, Mr. REID, Mr. ROCKEFELLER, Mr. TORRICELLI, Ms. MIKULSKI, Mr. BREAUX, Mrs. MURRAY, Mr. SCHUMER, Mrs. BOXER, Mr. SARBANES, Mr. DURBIN, Mr. LEAHY, Mr. WYDEN, Mr. BRYAN, and Mr. MOYNIHAN):

S. 20. A bill to assist the States and local governments in assessing and remediating brownfield sites and encouraging environmental cleanup programs, and for other purposes; to the Committee on Environment and Public Works.

THE BROWNFIELDS AND ENVIRONMENTAL CLEANUP ACT OF 1999

Mr. LAUTENBERG. Mr. President, today, along with Senators DASCHLE, BAUCUS, REID, BOXER, WYDEN, BREAUX, BRYAN, LEVIN, MURRAY, SCHUMER, TORRICELLI, MIKULSKI, DURBIN, LEAHY, ROCKEFELLER, SARBANES, KENNEDY, and LIEBERMAN, I am introducing the Brownfields and Environmental Cleanup Act of 1999. This legislation is designed to foster the cleanup of potentially thousands of toxic waste sites across the country. Just as importantly, this bill is about jobs, revenue and economic opportunity, because it will help turn abandoned industrial sites into engines of economic development.

Mr. President, I have been interested for a long time now in the issue of these abandoned, underutilized and contaminated industrial sites, commonly known as brownfields. Our Nation's great industrial tradition was the lifeblood of our Nation's economy. But this industrial tradition also entailed tremendous environmental costs. Sites were contaminated, and then when the manufacturers, the companies left, the legacy remained behind. Today, decaying industrial plants define the skyline and contaminate the land in many of our urban areas. Their rusting frames, like aging skyscrapers, are a silent reminder of those manufacturers that left, taking inner-city jobs and often inner-city hope with them.

However, ''brownfields'' as we have come to know them, can be found anywhere—in the inner cities, the suburbs and in rural areas. Any time that an industry leaves an area or a business goes out of business we face the specter of the unknown—they contaminate not only the aesthetics of the area but also the opportunity for jobs and for business investment. This bill provides the means to help investigate and facilitate funding for the cleanup of these areas, wherever they are found.

I continue to feel as I did when I introduced similar legislation in 1993, 1996, and again in 1997, that a brownfields cleanup program can spur significant economic development and create jobs. The nation's mayors have estimated that they lose between $200 and $500 million a year in tax revenues from brownfields sitting idle, and that returning these sites to productive use could create some 236,000 new jobs. Each day that Congress fails to act on brownfields liability, it deprives our cities of unique redevelopment opportunities. This type of cleanup initiative makes good environmental sense and good business sense.

A pilot project in Cleveland resulted in $3.2 million in private investment, a $1 million increase on the local tax base, and more than 170 new jobs. In Elizabeth, NJ, a former municipal landfill is being turned into a major mall with 5,000 employees.

Mr. President, the potential for job creation across the country is enormous, and every revitalized brownfields may represent for someone a field of dreams, especially to an unemployed urban worker.

But this bill is not about jobs alone. Brownfield cleanup also means that dangerous contaminants are removed from our environment, and future generations are not left with unknown problems and unused properties.

On the other hand, the risks posed by many of these sites may be relatively low and others even nonexistent, because brownfields are often abandoned or underutilized industrial or commercial sites where expansion or redevelopment is complicated by just the perception of environmental contamination. But their full economic use is being stymied because there is no ready mechanism for getting them evaluated or, if necessary, cleaned up, even when the owner of the property is ready, willing and eager to do so.

In addition, prospective purchasers and developers are reluctant to get involved in transactions with these properties because of their concern, however minimal, they might potentially create environmental liability.

The challenge is to turn these abandoned properties into thriving businesses that can generate needed jobs and act as a catalyst for economic development.

My legislation would provide financial assistance in the form of grants to local and State governments to inventory and evaluate brownfields sites. This would enable interested parties to know what would be required to clean the site and what reuse would best suit the property.

My bill would also provide grants to State and local governments to establish and capitalize low-interest loan programs. These funds would be loaned to prospective purchasers, municipalities and others to facilitate voluntary cleanup actions where traditional lending mechanisms may not be available. The minimum seed money involved in the program would leverage substantial economic payoffs, as well as turning lands which may be of negative worth into assets for the future.

The bill also would limit the potential liability of innocent buyers of these properties, and it would set a standard to gauge when parties couldn't have reasonably known that the property was contaminated. It would also provide Superfund liability relief to persons who own property next door to a brownfields property, so long as the person did not cause the release and exercises appropriate care.

Mr. President, for several Congresses there has been bipartisan interest in addressing brownfields, both in the Senate and in the other body on the other side of the Capitol. I am hopeful we can move this legislation forward in a cooperative way with support of Members on both sides of the aisle.

I urge my colleagues to co-sponsor this legislation.

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

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

BROWNFIELDS AND ENVIRONMENTAL CLEANUP ACT OF 1999—SUMMARY

Provides funds to local governments and others for brownfield site assessment and cleanup; and provides liability relief for prospective purchasers, innocent landowners and contiguous property owners.

TITLE I: BROWNFIELDS CLEANUP

Authorizes $35 million per year from the Superfund for 5 years for grants to local governments, States and Indian tribes to inventory and assess the contamination at brownfields sites; and authorizes $50 million per year from the Superfund for 5 years for local governments, States and Indian tribes to capitalize revolving loan funds for cleanup of brownfield sites.

TITLE II: PROSPECTIVE PURCHASERS

Provides Superfund liability relief for prospective purchasers of sites who are not responsible for contamination and do not impede the performance of a cleanup or restoration at a site they acquire after enactment of this bill, *provided* that prior to acquisition they made all appropriate inquiry into prior uses and ownership of the facility, exercise appropriate care with respect to hazardous substances, and provide cooperation and access to persons authorized to clean up the site.

TITLE III: INNOCENT LANDOWNERS

Clarifies relief from Superfund liability for landowners who had no reason to know of contamination at the time or purchase, despite having made all appropriate inquiry into prior ownership and use of the facility. Provides that the ''appropriate inquiry'' requirement is satisfied by conducting an environmental site assessment that meets specified standards within 180 days prior to acquisition of the property.

TITLE IV: CONTIGUOUS PROPERTY OWNERS

Provides Superfund liability relief for persons who own or operate property that is contaminated solely due to a release from contiguous property, so long as the person did not cause or contribute to the release, and exercised appropriate care with respect to hazardous substances.

By Mr. MOYNIHAN (for himself and Mr. KERREY):

S. 21. A bill to reduce social security payroll taxes, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY SOLVENCY ACT OF 1999

Mr. MOYNIHAN. Mr. President, I join my distinguished colleague, Senator BOB KERREY of Nebraska, in reintroducing legislation that would preserve Social Security and make it solvent permanently, while providing a payroll tax cut of about $800 billion over the next ten years.

Last March, Senator KERREY and I introduced a nearly identical bill—S. 1792, The Social Security Solvency Act of 1998. And in July of 1998 Senators GREGG and BREAUX introduced S. 2313, The 21st Century Retirement Security Plan, with a companion bill introduced in the House by Congressmen KOBLE and STENHOLM. All of these bills attempt to steer a mid-course between those who seek to maintain the current system (albeit with some traditional modifications of payroll tax rates and benefits) and those who seek to replace Social Security with private accounts. The Moynihan/Kerrey and Gregg/Breaux/Koble/Stenholm bills are quite similar. In September of last year I, along with Senators GREGG, BREAUX, KERREY, COATS, ROBB, THOMAS, and THOMPSON formed a Bipartisan Social Security Coalition. In a ''Dear Colleague'' we argued that a number of principles have guided us in our efforts to build a consensus on the future of Social Security including:

A payroll tax cut for all working Americans, with an opportunity for all workers to invest in personal savings account; payroll tax rates set so that annual revenues closely match annual outlays throughout the actuarial valuation period; a progressive benefit formula; accurate cost-of-living adjustments; repeal of the earnings test so that beneficiaries are free to work while collecting benefits; and permanent solvency for the Social Security program with a reduction in the Federal Government's unfunded liabilities.

For those who care, as we do, about preserving this vital program, I would simply suggest that without these changes, Social Security as we know it will not survive. For some 20 years now, opinion polls have shown that a majority of non-retired adults do not believe they will get their Social Security when they retire. Ask anyone on the street; ask anyone in their thirties or forties. They are convinced that Social Security will not be there for them. In one sense, they have good reason to think so: the Social Security Trustees so state in their most recent annual report released in April, 1998, which pointedly notes that:

> * * * in 2034, tax income of OASI (Social Security) is estimated to be sufficient to pay about ¾ of program costs; that ratio is projected to decline to about ⅔ by the end of the projection period.

Lack of confidence is partially the result of neglect by a Social Security Administration that has made little effort to stay in touch with Americans before retirement. But there is also a more powerful influence at work: a serious ideological movement opposed to government social insurance as a threat to individual initiative and, indeed, liberty. There is now abroad a powerful set of distinguished political leaders and academics who would turn the 60-year-old system of Social Security retirement, disability, and survivors benefits over to a system that depends solely on personal savings invested in the market.

This is a legitimate idea, with respectable intellectual support. (One thinks of the energetic work of Martin Feldstein, who 20 years ago argued that ''Social Security significantly depresses private wealth accumulation.'') It is an idea that has gained world-wide recognition. Since 1988, workers in the United Kingdom had been permitted to opt out of a part of the Social Security system, if they sign up for some personal retirement savings plans similar to our IRAs or 401(k) arrangements. In Sweden, the model welfare state, a pension reform plan that includes a mandatory private pension component equal to 2.5 percent of earnings went into effect this year, after being enacted by a coalition government composed of Social Democrats and other left of center parties.

As the 1990s arrived, and with it the long stock market boom, the call for privatization of Social Security has all but drowned out the more traditional views. For the first time, something akin to abolishing Social Security becamer a possibility.

Don't think it couldn't happen. In 1996, we enacted legislation which abolished Title IV–A of the Social Security Act, Aid to Families with Dependent Children. The mothers' pension of the progressive era, incorporated in the 1935 legislation, vanished with scarcely a word of protest.

Will the Old Age pensions and survivors benefits disappear as well? What might once have seemed inconceivable is now somewhere between possible and probable. I, for one, hope that this will not happen. A minimum retirement guarantee, along with disability and survivors benefits, is surely something we ought to keep, even as we augment the basic guarantee—as both the U.K and Sweden have done—with some form of private accounts.

Here is what Senator BOB KERREY and I proposed, in the legislation that we are reintroducing today.

Our bill makes changes that will preserve Social Security and make it solvent indefinitely. Under our plan, private accounts would complement Social Security, not replace it. Markets go up, but they also, as we made painfully clear last summer, frequently go down. But even with fluctuations in markets there are ways to safeguard private accounts. Working with the Securities and Exchange Commission and those in the securities industry we believe that it is possible to provide private savings instruments that meet the needs of workers planning for their retirement, and that are reasonably secure, with diminimus administrative costs.

We believe that the best approach to retirement savings in the 21st century is a three-tier system founded on the basic Social Security annuity. To

which is added one's private pension—which about half of Americans now enjoy—and one's private savings.

Our plan would return Social Security to a pay-as-you-go system. This makes possible an immediate payroll tax cut of approximately $800 billion over the next 10 years, as payroll tax rates would be cut from 12.4 to 10.4 percent.

The bill would permit voluntary personal savings accounts, which workers could finance with the proceeds of the two percentage point cut in the payroll tax. Under this provision in our legislation—together with a total of $3,500 deposited in an individual's account at birth and at ages 1–5 under the Kidsave provision of the bill—all workers will be able to accumulate an estate which they can pass on to their children and grandchildren.

Our plan includes a one percentage point correction in cost of living adjustments for all indexed programs except Supplemental Security Income. Benefits are also adjusted to reflect projected increases in life expectancy, similar to what has just been adopted in Sweden.

It is worth digressing here to note that under current law the so-called normal retirement age (NRA) is scheduled to gradually increase from 65 to 67. In practice, the NRA, is important as a benchmark for determining the monthly benefit amount, but it does not reflect the actual age at which workers receive retirement benefits. More than 70 percent of workers begin collecting Social Security retirement benefits before they reach age 65, and more than 50 percent do so at age 62. Under the bill, workers can continue to receive benefits at age 62 and the provision in the 1983 Social Security amendments that increased the NRA to age 67 is repealed. Instead, under this legislation, if life expectancy increases the level of benefits payable at age 65 (or at the age at which the worker actually retires) decreases. (Sweden has adopted a similar provision allowing workers to continue to retire at age 61, even as monthly benefits are reduced to mirror the projected gradual increase in life expectancy.)

We also propose to eliminate the so-called earnings test, which reduces Social Security benefits for retirees who have wages significantly above $10,000 per year, and is a burden and annoyance to persons who wish to work after age 62.

Finally, Social Security benefits would be taxed to the same extent private pensions are taxed, with the provision phased-in over the 5 year period 2000–2004. And Social Security coverage would be extended to newly hired employees in currently excluded State and local positions.

This package of changes ensures the long-run solvency of Social Security while reducing payroll taxes by almost $800 billion over the next decade, and with little or no change in the Federal budget surplus. Beginning in the year 2030, payroll tax rates would increase gradually to cover growing outlays, and would rise only slightly above the current level in the year 2035.

Can this be done? From an actuarial perspective, it's easy. We know—or at least the actuaries can tell us—within a couple of million persons how many workers will be supporting how many retirees in 2050. Contrast this with Medicare, where you do not know where gene therapy will lead in three years, let alone 30 years. The 17 members of the National Bipartisan Commission on the Future of Medicare, ably chaired by Senator Breaux, can, I am sure, attest to the analytic complexity of the issues they are discussing as part of that important Commission's work.

Politically, however, it won't be easy to fix Social Security. In a manner that the late economist Mancur Olson would recognize, over time Social Security has acquired a goodly number of veto groups which prevent changes, howsoever necessary. In so doing they also undermine confidence in Social Security by supporting a promised level of benefits which the Trustees, as noted above, readily admit cannot be delivered.

The veto groups assert that the Moynihan-Kerrey bill will reduce benefits by 30 percent. Not true when compared to what actually can be delivered. With pay-as-you-go, and adjustments in benefits related to an accurate cost of living index and the increase in life expectancy, the Moynihan-Kerrey bill delivers higher benefits than Social Security can actually provide with projected tax revenues under current law. For example, in 2040 the Social Security actuaries estimate that the current program can only deliver 73 percent of promised benefits. We do slightly better than that. Add in the annuity—financed with voluntary contributions of 2 percent of earnings—and benefits are 20 percent or more higher than the current program can deliver—even assuming real rates of interest no higher than a modest 3 percent. For 2070, the actuaries estimate that current financing will only support benefits equal to 68 percent of what is promised—a reduction of more than 30 percent. Again we do slightly better even without the private accounts—and more than 25 percent better with the private accounts.

As I say, this won't be easy. Which is why this is a time for courage as well as policy analysis. Social Security, one of the great achievements of our government in this century, is ours to maintain. Our bill does just that.

I ask unanimous consent the summary of the bill and the full text of the bill be included in the RECORD.

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

S. 21

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 ''Social Security Solvency Act of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Modification of FICA rates to provide pay-as-you-go financing of social security.
Sec. 3. Voluntary investment of payroll tax cut by employees.
Sec. 4. Increase of social security wage base.
Sec. 5. Cost-of-living adjustments.
Sec. 6. Tax treatment of social security payments.
Sec. 7. Coverage of newly hired State and local employees.
Sec. 8. Increase in length of computation period from 35 to 38 years.
Sec. 9. Modification of PIA factors to reflect changes in life expectancy.
Sec. 10. Elimination of earnings test for individuals who have attained early retirement age.
Sec. 11. Social security kidsave accounts.

SEC. 2. MODIFICATION OF FICA RATES TO PROVIDE PAY-AS-YOU-GO FINANCING OF SOCIAL SECURITY.

(a) IN GENERAL.—

(1) TAX ON EMPLOYEES.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the applicable percentage of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

"In the case wages received during:	The applicable percentage shall be:
2000 through 2029	5.2
2030 through 2034	6.2
2035 through 2049	6.45
2050 through 2059	6.65
2060 or thereafter	6.85 .''

(2) TAX ON EMPLOYERS.—Section 3111(a) of such Code (relating to tax on employers) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b)).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

"In the case wages paid during:	The applicable percentage shall be:
2000 and 2001	6.2
2002 through 2029	5.2
2030 through 2034	6.2
2035 through 2049	6.45

"In the case wages paid during:	The applicable percentage shall be:
2050 through 2059	6.65
2060 or thereafter	6.85 ."

(3) SELF-EMPLOYMENT TAX.—Section 1401(a) of such Code (relating to tax on self-employment income) is amended to read as follows:

"(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, a tax equal to the applicable percentage of the amount of the self-employment income for such taxable year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

"In the case of a taxable year Beginning after:	And before:	The applicable percentage is:
December 31, 1999 ..	January 1, 2002	11.4
December 31, 2001 ..	January 1, 2030	10.4
December 31, 2029 ..	January 1, 2035	12.4
December 31, 2034 ..	January 1, 2050	12.9
December 31, 2049 ..	January 1, 2060	13.3
December 31, 2059 ..	.....	13.7 ."

(4) EFFECTIVE DATES.—

(A) EMPLOYEES AND EMPLOYERS.—The amendments made by paragraphs (1) and (2) apply to remuneration paid after December 31, 1999.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendment made by paragraph (3) applies to taxable years beginning after December 31, 1999.

(b) REALLOCATION OF EMPLOYMENT TAXES.—

(1) REALLOCATION OF TAX ON EMPLOYEES AND EMPLOYERS.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended by striking "(Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, and (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and so reported" and inserting "(Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and before January 1, 2030, and so reported, (S) 2.15 per centum of the wages (as so defined) paid after December 31, 2029, and before January 1, 2035, and so reported, (T) 2.23 per centum of the wages (as so defined) paid after December 31, 2034, and before January 1, 2050, and so reported, (U) 2.30 per centum of the wages (as so defined) paid after December 31, 2049, and before January 1, 2060, and so reported, and (V) 2.39 per centum of the wages (as so defined) paid after December 31, 2059, and so reported".

(2) REALLOCATION OF TAX ON SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended by striking "(Q) 1.70 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 2000, and (R) 1.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999" and inserting "(Q) 1.70 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 2000, (R) 1.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999, and before January 1, 2030, (S) 2.15 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2029, and before January 1, 2035, (T) 2.23 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2034, and before January 1, 2050, (U) 2.30 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2049, and before January 1, 2060, and (V) 2.39 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2059".

(c) FUTURE RATES AND ALLOCATION BETWEEN TRUST FUNDS PROPOSED BY BOARD OF TRUSTEES FOR LEGISLATIVE ACTION.—

(1) IN GENERAL.—Section 201(c) of the Social Security Act (42 U.S.C. 401(c)) is amended in the matter following paragraph (5) by striking "(as defined by the Board of Trustees)." and inserting "(as defined by the Board of Trustees. If such finding shows that the combined Trust Funds are not in close actuarial balance (as so defined), then such report (beginning in April 2001) shall include a legislative recommendation by the Board of Trustees specifying new rates of tax under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1986, and the allocation of those rates between the Trust Funds necessary in order to restore the combined Trust Funds and each Trust Fund to actuarial balance. If such finding shows that the combined Trust Funds are in close actuarial balance (as so defined), but that 1 of the Trust Funds is not in close actuarial balance, then such report (beginning in April 2001) shall include a legislative recommendation by the Board of Trustees specifying a new allocation of such rates of tax between the Trust Funds, so that each Trust Fund is in close actuarial balance. Such recommendation shall be considered by Congress under procedures described in subsection (n)).".

(2) FAST-TRACK CONSIDERATION OF LEGISLATIVE RECOMMENDATIONS.—Section 201 of such Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

"(n)(1) Any legislative recommendation included in the report provided for in subsection (c) shall—

"(A) not later than 3 days after the Board of Trustees submits such report, be introduced (by request) in the House of Representatives by the Majority Leader of the House and be introduced (by request) in the Senate by the Majority Leader of the Senate; and

"(B) be given expedited consideration under the same provisions and in the same way, subject to paragraph (2), as a joint resolution under section 2908 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2678 note).

"(2) For purposes of applying paragraph (1) with respect to such provisions, the following rules shall apply:

"(A) Section 2908(a) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2678 note) shall not apply.

"(B) Any reference to the resolution described in subsection (a) shall be deemed to be a reference to the legislative recommendation submitted under subsection (c) of this Act.

"(C) Any reference to the Committee on National Security of the House of Representatives shall be deemed to be a reference to the Committee on Ways and Means of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed to be a reference to the Committee on Finance of the Senate.

"(D) Any reference to the date on which the President transmits a report shall be deemed to be a reference to the date on which the recommendation is submitted under subsection (c).".

(d) CONFORMING AMENDMENTS TO FERS TO PROTECT PAYROLL TAX CUT.—The table contained in section 8422(a)(3) of title 5, United States Code, is amended—

(1) by striking "7" the second place it appears and inserting "6";

(2) by striking "7.4" and inserting "6.4";

(3) by striking "7.5" the first, third, fifth, and seventh places it appears and inserting "6.5";

(4) by striking "7.9" each place it appears and inserting "6.9"; and

(5) by striking "8" each place it appears and inserting "7".

SEC. 3. VOLUNTARY INVESTMENT OF PAYROLL TAX CUT BY EMPLOYEES.

(a) VOLUNTARY INVESTMENT OF PAYROLL TAX CUT.—

(1) IN GENERAL.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(A) by inserting before section 201 the following:

"PART A—INSURANCE BENEFITS";

and

(B) by adding at the end the following:

"PART B—VOLUNTARY INVESTMENT ACCOUNTS

"EMPLOYEE ELECTION AND DESIGNATION OF VOLUNTARY INVESTMENT ACCOUNT UNDER PAYROLL DEDUCTION PLAN

"SEC. 251. (a) IN GENERAL.—An individual who is an employee of a covered employer may elect to participate in the employer's voluntary investment account payroll deduction plan either—

"(1) not later than 10 business days after the individual becomes an employee of the employer, or

"(2) during any open enrollment period.

The Commissioner shall by regulation provide for at least 1 open enrollment period annually.

"(b) PERIOD OF ELECTION.—

"(1) TIME ELECTION TAKES EFFECT.—An election under subsection (a) shall take effect with respect to the first pay period beginning more than 14 days after the date of the election.

"(2) TERMINATION.—An election under subsection (a) shall terminate—

"(A) upon the termination of employment of the employee of the covered employer, or

"(B) with respect to pay periods beginning more than 14 days after the employee terminates such election.

"(c) DESIGNATION OF VOLUNTARY INVESTMENT ACCOUNT.—

"(1) INITIAL ELECTION.—An employee shall, at the time an election is made under subsection (a), designate the voluntary investment account to which voluntary investment account contributions on behalf of the employee are to be deposited.

"(2) CHANGES.—The Commissioner shall by regulation provide the time and manner by which an employee or a person described in section 254(d) on behalf of such employee may—

"(A) designate another voluntary investment account to which contributions are to be deposited, and

"(B) transfer amounts from one such account to another.

"(d) FORM OF ELECTIONS.—Elections under this section shall be made—

"(1) on W–4 forms (or any successor forms), or

"(2) in such other manner as the Commissioner may prescribe in order to ensure ease of administration and reductions in burdens on employers.

''VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLANS

''SEC. 252. (a) IN GENERAL.—Each person who is a covered employer for a calendar year shall have in effect a voluntary investment account payroll deduction plan for such calendar year for such person's electing employees.

''(b) VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLANS.—For purposes of this part, the term 'voluntary investment account payroll deduction plan' means a written plan of an employer—

''(1) which applies only with respect to wages of any employee who elects to become an electing employee in accordance with section 251,

''(2) under which the voluntary investment account contributions under section 3101(a) of the Internal Revenue Code of 1986 will be deducted from an electing employee's wages and, together with such contributions under section 3111(a) of such Code on behalf of such employee, will be paid to the Social Security Administration for deposit in 1 or more voluntary investment accounts designated by such employee in accordance with section 251,

''(3) under which the employer is required to pay the amount so contributed with respect to the specified voluntary investment account of the electing employee within the same time period as other taxes under sections 3101 and 3111 with respect to the wages of such employee,

''(4) under which the employer receives no compensation for the cost of administering such plan, and

''(5) under which the employer does not make any endorsement with respect to any voluntary investment account.

''(c) PENALTIES FOR FAILURE TO ESTABLISH VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLAN.—

''(1) IN GENERAL.—Any covered employer who fails to meet the requirements of this section for any calendar year shall be subject to a civil penalty of not to exceed the greater of—

''(A) $2,500, or

''(B) $100 for each electing employee of such employer as of the beginning of such calendar year.

''(2) RULES FOR APPLICATION OF SUBSECTION.—

''(A) PENALTIES ASSESSED BY COMMISSIONER.—Any civil penalty assessed by this subsection shall be imposed by the Commissioner of Social Security and collected in a civil action.

''(B) COMPROMISES.—The Commissioner may compromise the amount of any civil penalty imposed by this subsection.

''(C) AUTHORITY TO WAIVE PENALTY IN CERTAIN CASES.—The Commissioner may waive the application of this subsection with respect to any failure if the Commissioner determines that such failure is due to reasonable cause and not to intentional disregard of rules and regulations.

''PARTICIPATION BY SELF-EMPLOYED INDIVIDUALS

''SEC. 253. An individual shall make an election to become an electing self-employed individual, designate a voluntary investment account, and have in effect a voluntary investment account payroll deduction plan under rules similar to the rules under sections 251 and 252.

''DEFINITIONS AND SPECIAL RULES

''SEC. 254. (a) VOLUNTARY INVESTMENT ACCOUNT.—For purposes of this part—

''(1) a voluntary investment account described in this paragraph is a voluntary investment account in the Voluntary Investment Fund (established under section 255),

''(2) a voluntary investment account described in this paragraph is an individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986), other than a Roth IRA (as defined in section 408A(b) of such Code), which is designated by the electing employee as a voluntary investment account (in such manner as the Secretary of the Treasury may prescribe) and which is administered or issued by a bank or other person referred to in section 408(a)(2) of such Code, and

''(3) a voluntary investment account described in this paragraph is a KidSave Account (as described in paragraph (1) or (2) of section 262(a)) of the electing employee, which is designated by the electing employee as a voluntary investment account (in such manner as the Secretary of the Treasury may prescribe).

''(b) TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2)—

''(A) any voluntary investment account described in paragraph (1) of subsection (a) shall be treated in the same manner as an account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code,

''(B) any voluntary investment account described in paragraph (2) of subsection (a) shall be treated in the same manner as an individual retirement plan (as so defined), and

''(C) any voluntary investment account described in paragraph (3) of subsection (a) shall be treated in the same manner as the designated KidSave Account would have been treated under section 262(b).

''(2) EXCEPTIONS.—

''(A) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all voluntary investment accounts of an electing employee shall not exceed the aggregate amount of contributions made pursuant to sections 3101(a)(3), 3111(a)(3), and 1401(a)(3) of the Internal Revenue Code of 1986 and paid pursuant to section 252 or 253 on behalf of such employee.

''(B) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 of the Internal Revenue Code of 1986 for a contribution to a voluntary investment account.

''(C) ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to a voluntary investment account unless it is from another voluntary investment account or a KidSave Account (as described in paragraph (1) or (2) of section 262(a)). A rollover described in the preceding sentence shall not be taken into account for purposes of subparagraph (A).

''(D) DISTRIBUTIONS ALLOWED TO SOCIAL SECURITY BENEFICIARIES.—Notwithstanding any other provision of law, distributions may only be made from a voluntary investment account of an electing employee on or after the earlier of—

''(i) the date on which the employee begins receiving benefits under this title, or

''(ii) the date of the employee's death.

''(c) OTHER DEFINITIONS.—For purposes of this part—

''(1) COVERED EMPLOYER.—The term 'covered employer' means, for any calendar year, any person on whom an excise tax is imposed under section 3111 of the Internal Revenue Code of 1986 with respect to having an individual in the person's employ to whom wages are paid by such person during such calendar year.

''(2) ELECTING EMPLOYEE.—The term 'electing employee' means an individual with respect to whom an election under section 251 is in effect.

''(3) ELECTING SELF-EMPLOYED INDIVIDUAL.—The term 'electing self-employed individual' means an individual with respect to whom an election under section 253 is in effect.

''(d) TREATMENT OF INCOMPETENT INDIVIDUALS.—Any designation under section 251(c)(2) to be made by an individual mentally incompetent or under other legal disability may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due an individual mentally incompetent or under other legal disability may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under section 251(c)(2) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''VOLUNTARY INVESTMENT FUND

''SEC. 255. (a) ESTABLISHMENT.—There is established and maintained in the Treasury of the United States a Voluntary Investment Fund in the same manner as the Thrift Savings Fund under sections 8437, 8438, and 8439 of title 5, United States Code.

''(b) VOLUNTARY INVESTMENT FUND BOARD.—

''(1) IN GENERAL.—There is established and operated in the Social Security Administration a Voluntary Investment Fund Board in the same manner as the Federal Retirement Thrift Investment Board under subchapter VII of chapter 84 of title 5, United States Code.

''(2) SPECIFIC INVESTMENT DUTIES.—The Voluntary Investment Fund shall be managed by the Voluntary Investment Fund Board in the same manner as the Thrift Savings Fund is managed under subchapter VIII of chapter 84 of title 5, United States Code.''.

(2) EXEMPTION FROM ERISA REQUIREMENTS.—Section 4(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003(b)) is amended—

(A) in paragraph (4), by striking ''or'';

(B) in paragraph (5), by striking the period and inserting ''; or''; and

(C) by inserting after paragraph (5) the following:

''(6) such plan is a voluntary investment account payroll deduction plan established under part B of title II of the Social Security Act.''.

(3) EFFECTIVE DATE AND NOTICE REQUIREMENTS.—

(A) EFFECTIVE DATE.—The amendments made by this subsection (and any voluntary investment account payroll deduction plan required thereunder) apply with respect to wages paid after December 31, 2001, for pay periods beginning after such date and self-employment income for taxable years beginning after such date.

(B) NOTICE REQUIREMENTS.—

(i) IN GENERAL.—Not later than October 1, 2001, the Commissioner of Social Security shall—

(I) send to the last known address of each eligible individual a description of the program established by the amendments made by this subsection, which shall be written in the form of a pamphlet in language which may be readily understood by the average worker,

(II) provide for toll-free access by telephone from all localities in the United States and access by the Internet to the Social Security Administration through which individuals may obtain information and answers to questions regarding such program, and

(III) provide information to the media in all localities of the United States about such program and such toll-free access by telephone and access by Internet.

(ii) ELIGIBLE INDIVIDUAL.—For purposes of this subparagraph, the term ''eligible individual'' means an individual who, as of the date of the pamphlet sent pursuant to clause (i), is indicated within the records of the Social Security Administration as being credited with 1 or more quarters of coverage under section 213 of the Social Security Act (42 U.S.C. 413).

(iii) MATTERS TO BE INCLUDED.—The Commissioner shall include with the pamphlet sent to each eligible individual pursuant to clause (i)—

(I) a statement of the number of quarters of coverage indicated in the records of the Social Security Administration as of the date of the description as credited to such individual under section 213 of such Act and the date as of which such records may be considered accurate, and

(II) the number for toll-free access by telephone established by the Commissioner pursuant to clause (i).

(b) CONFORMING AMENDMENTS TO PAYROLL TAX PROVISIONS.—

(1) EMPLOYEES VOLUNTARY INVESTMENT CONTRIBUTIONS.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees), as amended by section 2(a)(1), is amended by adding at the end the following:

''(3) VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an electing employee (as defined in section 254(c)(2) of the Social Security Act), in addition to other taxes, there is hereby imposed on the income of such employee a voluntary investment account contribution equal to 1 percent of the wages (as so defined) received by him with respect to employment (as so defined).''.

(2) EMPLOYERS MATCHING CONTRIBUTIONS.—Section 3111(a) of such Code (relating to tax on employers), as amended by section 2(a)(2), is amended by adding at the end the following:

''(3) MATCHING CONTRIBUTION TO EMPLOYEE VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an employer having in his employ an electing employee (as defined in section 254(c)(2) of the Social Security Act), in addition to other taxes, there is hereby imposed on such employer a voluntary investment account contribution equal to 1 percent of the wages (as so defined) paid by him with respect to employment (as so defined) of such employee.''.

(3) SELF-EMPLOYMENT VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTIONS.—Section 1401(a) of such Code (relating to tax on self-employment income), as amended by section 2(a)(3), is amended by adding at the end the following:

''(3) VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an electing self-employed individual (as defined in section 254(c)(3) of the Social Security Act), in addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of such individual, a voluntary investment account contribution equal to 2 percent of the amount of the self-employment income for such taxable year.''.

(4) EFFECTIVE DATES.—

(A) EMPLOYEES AND EMPLOYERS.—The amendments made by paragraphs (1) and (2) apply to remuneration paid after December 31, 2001.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendment made by paragraph (3) applies to taxable years beginning after December 31, 2001.

SEC. 4. INCREASE OF SOCIAL SECURITY WAGE BASE.

(a) IN GENERAL.—Section 230 of the Social Security Act (42 U.S.C. 430) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''$60,600'' and inserting ''$99,900''; and

(B) in paragraph (2), by striking ''1992'' and inserting ''2002''; and

(2) in subsection (c)—

(A) by striking ''(1)'' and all that follows through ''$29,700.'' and inserting ''the 'contribution and benefit base' with respect to remuneration paid (and taxable years beginning)—

''(1) in 2002 shall be $87,000,

''(2) in 2003 shall be $94,000, and

''(3) in 2004 shall be $99,900.''; and

(B) by striking ''specified in clause (2) of the preceding sentence'' and inserting ''specified in the preceding sentence''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2002.

SEC. 5. COST-OF-LIVING ADJUSTMENTS.

(a) COST-OF-LIVING BOARD.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following:

''PART D—COST-OF-LIVING ADJUSTMENTS

''DETERMINATION OF INFLATION ADJUSTMENT

''SEC. 1180. (a) MODIFICATION OF COST-OF-LIVING ADJUSTMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any cost-of-living adjustment described in subsection (e) shall be reduced by the applicable percentage point.

''(2) APPLICABLE PERCENTAGE POINT.—In this section, the term 'applicable percentage point' means—

''(A) except as provided in subparagraph (B), 1 percentage point; or

''(B) the applicable percentage point adopted by the Cost-of-Living Board under subsection (b) for the calendar year.

''(b) COST-OF-LIVING BOARD DETERMINATION.—

''(1) IN GENERAL.—The Cost-of-Living Board established under section 1181 shall for each calendar year after 1999 determine if a new applicable percentage point is necessary to replace the applicable percentage point described in subsection (a)(2)(A) to ensure an accurate cost-of-living adjustment which shall apply to any cost-of-living adjustment taking effect during such year.

''(2) ADOPTION OR REJECTION OF NEW APPLICABLE PERCENTAGE POINT.—

''(A) ADOPTION.—

''(i) IN GENERAL.—If the Cost-of-Living Board adopts by majority vote a new applicable percentage point under paragraph (1), then, for purposes of subsection (a)(1), the new applicable percentage point shall remain in effect during the following calendar year.

''(ii) APPROPRIATE ADJUSTMENTS.—The Cost-of-Living Board shall make appropriate adjustments to the applicable percentage point applied to any cost-of-living adjustment if—

''(I) the period during which the change in the cost-of-living is measured for such adjustment is different than the period used by the Cost-of-Living Board; or

''(II) the adjustment is based on a component of an index rather than the entire index.

''(B) REJECTION.—If the Cost-of-Living Board fails by majority vote to adopt a new applicable percentage point under paragraph (1) for any calendar year, then the applicable percentage point for such calendar year shall be the applicable percentage point described in subsection (a)(2)(A).

''(c) REPORT.—Not later than November 1 of each calendar year, the Cost-of-Living Board shall submit a report to the President and Congress containing a detailed statement with respect to the new applicable percentage point (if any) agreed to by the Board under subsection (b).

''(d) JUDICIAL REVIEW.—Any determination by the Cost-of Living Board under subsection (b) shall not be subject to judicial review.

''(e) COST-OF-LIVING ADJUSTMENT DESCRIBED.—A cost-of-living adjustment described in this subsection is any cost-of-living adjustment for a calendar year after 1999 determined by reference to a percentage change in a consumer price index or any component thereof (as published by the Bureau of Labor Statistics of the Department of Labor and determined without regard to this section) and used in any of the following:

''(1) The Internal Revenue Code of 1986.

''(2) Titles II, XVIII, and XIX of this Act.

''(3) Any other Federal program (not including programs under title XVI of this Act).

''COST-OF-LIVING BOARD

''SEC. 1181. (a) ESTABLISHMENT OF BOARD.—

''(1) ESTABLISHMENT.—There is established a board to be known as the Cost-of-Living Board (in this section referred to as the 'Board').

''(2) MEMBERSHIP.—

''(A) COMPOSITION.—The Board shall be composed of 5 members of whom—

''(i) 1 shall be the Chairman of the Board of Governors of the Federal Reserve System;

''(ii) 1 shall be the Chairman of the President's Council of Economic Advisers; and

''(iii) 3 shall be appointed by the President, by and with the advice and consent of the Senate.

The President shall consult with the leadership of the House of Representatives and the Senate in the appointment of the Board members under clause (iii).

''(B) EXPERTISE.—The members of the Board appointed under subparagraph (A)(iii) shall be experts in the field of economics and should be familiar with the issues related to the calculation of changes in the cost of living. In appointing members under subparagraph (A)(iii), the President shall consider appointing—

''(i) former members of the President's Council of Economic Advisers;

''(ii) former Treasury department officials;

''(iii) former members of the Board of Governors of the Federal Reserve System;

''(iv) other individuals with relevant prior government experience in positions requiring appointment by the President and Senate confirmation; and

''(v) academic experts in the field of price statistics.

''(C) DATE.—

''(i) NOMINATIONS.—Not later than 30 days after the date of enactment of the Social Security Solvency Act of 1999, the President shall submit the nominations of the members of the Board described in subparagraph (A)(iii) to the Senate.

''(ii) SENATE ACTION.—Not later than 60 days after the Senate receives the nominations under clause (i), the Senate shall vote on confirmation of the nominations.

''(3) TERMS AND VACANCIES.—

''(A) TERMS.—A member of the Board appointed under paragraph (2)(A)(iii) shall be appointed for a term of 5 years, except that of the members first appointed under that paragraph—

''(i) 1 member shall be appointed for a term of 1 year;

''(ii) 1 member shall be appointed for a term of 3 years; and

''(iii) 1 member shall be appointed for a term of 5 years.

''(B) VACANCIES.—

''(i) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(ii) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(C) EXPIRATION OF TERMS.—The term of any member appointed under paragraph (2)(A)(iii) shall not expire before the date on which the member's successor takes office.

''(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Board have been appointed, the Board shall hold its first meeting. Subsequent meetings shall be determined by the Board by majority vote.

''(5) OPEN MEETINGS.—Notwithstanding section 552b of title 5, United States Code, or section 10 of the Federal Advisory Committee Act (5 U.S.C. App.), the Board may, by majority vote, close any meeting of the Board to the public otherwise required to be open under that section. The Board shall make the records of any such closed meeting available to the public not later than 30 days of that meeting.

''(6) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold hearings.

''(7) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall select a Chairperson and Vice Chairperson from among the members appointed under paragraph (2)(A)(iii).

''(b) POWERS OF THE BOARD.—

''(1) HEARINGS.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers advisable to carry out the purposes of this part.

''(2) INFORMATION FROM FEDERAL AGENCIES.—The Board may secure directly from any Federal department or agency such information as the Board considers necessary to carry out the provisions of this part, including the published and unpublished data and analytical products of the Bureau of Labor Statistics. Upon request of the Chairperson of the Board, the head of such department or agency shall furnish such information to the Board.

''(3) POSTAL SERVICES.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(4) GIFTS.—The Board may accept, use, and dispose of gifts or donations of services or property.

''(c) BOARD PERSONNEL MATTERS.—

''(1) COMPENSATION OF MEMBERS.—Each member of the Board who is not otherwise an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board. All members of the Board who otherwise are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

''(2) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

''(3) STAFF.—

''(A) IN GENERAL.—The Chairperson of the Board may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Board to perform its duties. The employment of an executive director shall be subject to confirmation by the Board.

''(B) COMPENSATION.—The Chairperson of the Board may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level IV of the Executive Schedule under section 5316 of such title.

''(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without additional reimbursement (other than the employee's regular compensation), and such detail shall be without interruption or loss of civil service status or privilege.

''(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

''(d) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as are necessary to carry out the purposes of this part.''.

(c) TERMINATION OF WAGE INDEX ADJUSTMENT.—Section 215(i)(1)(C) of the Social Security Act (42 U.S.C. 415(i)(1)(C)) is amended—

(1) in clause (i)—

(A) by inserting ''and before 2000'' after ''after 1988''; and

(B) by inserting '', or in any calendar year after 1999, the CPI increase percentage''; and

(2) in clause (ii), by inserting ''and before 2000'' after ''after 1988''.

SEC. 6. TAX TREATMENT OF SOCIAL SECURITY PAYMENTS.

(a) IN GENERAL.—Section 86(a) of the Internal Revenue Code of 1986 (relating to social security and tier 1 railroad retirement benefits) is amended to read as follows:

''(a) INCOME INCLUSION.—

''(1) GENERAL RULE.—Notwithstanding section 207 of the Social Security Act, social security benefits shall be included in the gross income of a taxpayer for any taxable year in the manner provided under section 72.

''(2) TRANSITION RULES.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), with respect to any taxable year beginning in 2000, 2001, 2002, or 2003, gross income of the taxpayer shall include social security benefits in an amount equal to the greater of—

''(i) the applicable percentage of the amount which would have been included under paragraph (1) for such year, or

''(ii) the amount which would have been included under this section for such year if the amendments made by section 6 of the Social Security Solvency Act of 1999 had not been enacted.

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i), the applicable percentage for any taxable year shall be determined in accordance with the following table:

''In the case of any taxable year beginning in—	The applicable percentage is:
2000	20
2001	40
2002	60
2003	80.''.

(b) CONFORMING AMENDMENTS.—Section 86 of the Internal Revenue Code of 1986 is amended by striking subsections (b), (c), and (e) and by redesignating subsections (d) and (f) as subsections (b) and (c), respectively.

(c) TRANSFERS TO TRUST FUNDS.—Paragraph (1)(A) of section 121(e) of the Social Security Amendments of 1983, as amended by section 13215(c)(1) of the Omnibus Budget Reconciliation Act of 1993, is amended by striking ''1993.'' and inserting ''1993, plus (iii) the amounts equivalent to the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1986 which is attributable to the amendments to section 86 of such Code made by section 6 of the Social Security Solvency Act of 1999.''.

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

SEC. 7. COVERAGE OF NEWLY HIRED STATE AND LOCAL EMPLOYEES.

(a) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Paragraph (7) of section 210(a) of the Social Security Act (42 U.S.C. 410(a)(7)) is amended to read as follows:

''(7) Excluded State or local government employment (as defined in subsection (s));''.

(2) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—

(A) IN GENERAL.—Section 210 of such Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

''Excluded State or Local Government Employment

''(s)(1) IN GENERAL.—The term 'excluded State or local government employment' means any service performed in the employ of a State, of any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, if—

''(A)(i) such service would be excluded from the term 'employment' for purposes of this title if the preceding provisions of this section as in effect on December 31, 2001, had remained in effect, and (ii) the requirements of paragraph (2) are met with respect to such service, or

''(B) the requirements of paragraph (3) are met with respect to such service.

''(2) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service for any employer if—

''(i) such service is performed by an individual—

''(I) who was performing substantial and regular service for remuneration for that employer before January 1, 2002,

''(II) who is a bona fide employee of that employer on December 31, 2001, and

''(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph, and

''(ii) the employment relationship with that employer has not been terminated after December 31, 2001.

''(B) TREATMENT OF MULTIPLE AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (A), under regulations (consistent with regulations established under section 3121(t)(2)(B) of the Internal Revenue Code of 1986)—

''(i) all agencies and instrumentalities of a State (as defined in section 218(b)) or of the District of Columbia shall be treated as a single employer, and

''(ii) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

''(3) EXCEPTION FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service if such service is performed—

''(i) by an individual who is employed by a State or political subdivision thereof to relieve such individual from unemployment,

''(ii) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

''(iii) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,

''(iv) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training,

''(v) by an election official or election worker if the remuneration paid in a calendar year for such service is less than $1,000 with respect to service performed during 2002, and the adjusted amount determined under subparagraph (C) for any subsequent year with respect to service performed during such subsequent year, except to the extent that service by such election official or election worker is included in employment under an agreement under section 218, or

''(vi) by an employee in a position compensated solely on a fee basis which is treated pursuant to section 211(c)(2)(E) as a trade or business for purposes of inclusion of such fees in net earnings from self-employment.

''(B) DEFINITIONS.—As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b).

''(C) ADJUSTMENTS TO DOLLAR AMOUNT FOR ELECTION OFFICIALS AND ELECTION WORKERS.—For each year after 2002, the Secretary shall adjust the amount referred to in subparagraph (A)(v) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

''(i) for purposes of this subparagraph, 1999 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

''(ii) such amount as so adjusted, if not a multiple of $50, shall be rounded to the nearest multiple of $50.

The Commissioner of Social Security shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.''.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (k) of section 210 of such Act (42 U.S.C. 410(k)) (relating to covered transportation service) is repealed.

(ii) Section 210(p) of such Act (42 U.S.C. 410(p)) is amended—

(I) in paragraph (2), by striking ''service is performed'' and all that follows and inserting ''service is service described in subsection (s)(3)(A).''; and

(II) in paragraph (3)(A), by inserting ''under subsection (a)(7) as in effect on December 31, 2001'' after ''section''.

(iii) Section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended—

(I) by striking subparagraph (C);

(II) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(III) by striking subparagraph (F) and inserting the following:

''(E) service which is included as employment under section 210(a).''

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Paragraph (7) of section 3121(b) of the Internal Revenue Code of 1986 (relating to employment) is amended to read as follows:

''(7) excluded State or local government employment (as defined in subsection (t));''.

(2) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—Section 3121 of such Code is amended by inserting after subsection (s) the following new subsection:

''(t) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'excluded State or local government employment' means any service performed in the employ of a State, of any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, if—

''(A)(i) such service would be excluded from the term 'employment' for purposes of this chapter if the provisions of subsection (b)(7) as in effect on December 31, 2001, had remained in effect, and (ii) the requirements of paragraph (2) are met with respect to such service, or

''(B) the requirements of paragraph (3) are met with respect to such service.

''(2) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service for any employer if—

''(i) such service is performed by an individual—

''(I) who was performing substantial and regular service for remuneration for that employer before January 1, 2002,

''(II) who is a bona fide employee of that employer on December 31, 2001, and

''(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph, and

''(ii) the employment relationship with that employer has not been terminated after December 31, 2001.

''(B) TREATMENT OF MULTIPLE AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (A), under regulations—

''(i) all agencies and instrumentalities of a State (as defined in section 218(b) of the Social Security Act) or of the District of Columbia shall be treated as a single employer, and

''(ii) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

''(3) EXCEPTION FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service if such service is performed—

''(i) by an individual who is employed by a State or political subdivision thereof to relieve such individual from unemployment,

''(ii) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

''(iii) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,

''(iv) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training,

''(v) by an election official or election worker if the remuneration paid in a calendar year for such service is less than $1,000 with respect to service performed during 2002, and the adjusted amount determined under section 210(s)(3)(C) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year, except to the extent that service by such election official or election worker is included in employment under an agreement under section 218 of the Social Security Act, or

''(vi) by an employee in a position compensated solely on a fee basis which is treated pursuant to section 1402(c)(2)(E) as a trade or business for purposes of inclusion of such fees in net earnings from self-employment.

''(B) DEFINITIONS.—As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b) of the Social Security Act.''.

(3) CONFORMING AMENDMENTS.—

(A) Subsection (j) of section 3121 of such Code (relating to covered transportation service) is repealed.

(B) Paragraph (2) of section 3121(u) of such Code (relating to application of hospital insurance tax to Federal, State, and local employment) is amended—

(i) in subparagraph (B), by striking ''service is performed'' in clause (ii) and all that follows through the end of such subparagraph and inserting ''service is service described in subsection (t)(3)(A).''; and

(ii) in subparagraph (C)(i), by inserting ''under subsection (b)(7) as in effect on December 31, 2001'' after ''chapter''.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments

made by this section shall apply with respect to service performed after December 31, 2001.

SEC. 8. INCREASE IN LENGTH OF COMPUTATION PERIOD FROM 35 TO 38 YEARS.

Section 215(b)(2)(B) of the Social Security Act (42 U.S.C. 415(b)(2)) is amended—

(1) in clause (ii), by striking ''and'' at the end;

(2) in clause (iii)—

(A) by striking ''age 62'' and inserting ''the applicable age''; and

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

(3) by adding at the end the following:

''(iv) the term 'applicable age' means with respect to individuals who attain age 62—

''(I) before 2002, age 62;

''(II) in 2002, age 63;

''(III) in 2003, age 64; and

''(IV) after 2003, age 65.''.

SEC. 9. MODIFICATION OF PIA FACTORS TO REFLECT CHANGES IN LIFE EXPECTANCY.

(a) MODIFICATION OF PIA FACTORS.—Section 215(a)(1) of the Social Security Act (42 U.S.C. 415(a)(1)(B)) is amended by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following:

''(D) For individuals who initially become eligible for old-age insurance benefits in any calendar year after 1999, each of the percentages under clauses (i), (ii), and (iii) of subparagraph (A) shall be multiplied the applicable number of times by .988 (.997, for any calendar year after 2017). For purposes of the preceding sentence, the term 'applicable number of times' means a number equal to the lesser of 66 or the number of years beginning with 2000 and ending with the year of initial eligibility.

''(E) For any individual who initially becomes eligible for disability insurance benefits in any calendar year after 1999, the primary insurance amount for such individual shall be equal to the greater of—

''(i) such amount as determined under this paragraph, or

''(ii) such amount as determined under this paragraph without regard to subparagraph (D) thereof.''.

(b) RESTORATION OF NORMAL RETIREMENT AGE AT 65.—

(1) IN GENERAL.—Section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l) is amended to read as follows:

''(l)(1) The term 'retirement age' means 65 years of age.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 216(l) of the Social Security Act (42 U.S.C. 416(l)) is amended by striking paragraph (3).

(B) Section 202(q) of such Act (42 U.S.C. 402(q)) is amended—

(i) in paragraph (1), by striking ''Subject to paragraph (9), if'' and inserting ''If''; and

(ii) by striking paragraph (9).

(c) STUDY OF THE EFFECT OF INCREASES IN LIFE EXPECTANCY.—

(1) STUDY PLAN.—Not later than February 15, 2001, the Commissioner of Social Security shall submit to Congress a detailed study plan for evaluating the effects of increases in life expectancy on the expected level of retirement income from social security, pensions, and other sources. The study plan shall include a description of the methodology, data, and funding that will be required in order to provide to Congress not later than February 15, 2006—

(A) an evaluation of trends in mortality and their relationship to trends in health status, among individuals approaching eligibility for social security retirement benefits;

(B) an evaluation of trends in labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits, and of the factors that influence the choice between retirement and participation in the labor force;

(C) an evaluation of changes, if any, in the social security disability program that would reduce the impact of changes in the retirement income of workers in poor health or physically demanding occupations;

(D) an evaluation of the methodology used to develop projections for trends in mortality, health status, and labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits; and

(E) an evaluation of such other matters as the Commissioner deems appropriate for evaluating the effects of increases in life expectancy.

(2) REPORT ON RESULTS OF STUDY.—Not later than February 15, 2006, the Commissioner of Social Security shall provide to Congress an evaluation of the implications of the trends studied under paragraph (1), along with recommendations, if any, of the extent to which the conclusions of such evaluations indicate that projected increases in life expectancy require modification in the social security disability program and other income support programs.

SEC. 10. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED EARLY RETIREMENT AGE.

(a) IN GENERAL.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c)(1), by striking ''the age of seventy'' and inserting ''early retirement age (as defined in section 216(l))'';

(2) in paragraphs (1)(A) and (2) of subsection (d), by striking ''the age of seventy'' each place it appears and inserting ''early retirement age (as defined in section 216(l))'';

(3) in subsection (f)(1)(B), by striking ''was age seventy or over'' and inserting ''was at or above early retirement age (as defined in section 216(l))'';

(4) in subsection (f)(3)—

(A) by striking ''33⅓ percent'' and all that follows through ''any other individual,'' and inserting ''50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8),''; and

(B) by striking ''age 70'' and inserting ''early retirement age (as defined in section 216(l))'';

(5) in subsection (h)(1)(A), by striking ''age 70'' each place it appears and inserting ''early retirement age (as defined in section 216(l))''; and

(6) in subsection (j)—

(A) in the heading, by striking ''Age Seventy'' and inserting ''Early Retirement Age''; and

(B) by striking ''seventy years of age'' and inserting ''having attained early retirement age (as defined in section 216(l))''.

(b) CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 62.—

(1) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking ''the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable'' and inserting ''a new exempt amount which shall be applicable''.

(2) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(A) in the matter preceding clause (i), by striking ''Except'' and all that follows through ''whichever'' and inserting ''The exempt amount which is applicable for each month of a particular taxable year shall be whichever'';

(B) in clauses (i) and (ii), by striking ''corresponding'' each place it appears; and

(C) in the last sentence, by striking ''an exempt amount'' and inserting ''the exempt amount''.

(3) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. (f)(8)(D)) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(A) in subsection (c), in the last sentence, by striking ''nor shall any deduction'' and all that follows and inserting ''nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.''; and

(B) in subsection (f)(1), by striking clause (D) and inserting the following: ''(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60,''.

(2) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(A) by striking ''either''; and

(B) by striking ''or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit''.

(3) PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking ''if section 102 of the Senior Citizens' Right to Work Act of 1996 had not been enacted'' and inserting the following: ''if the amendments to section 203 made by section 102 of the Senior Citizens' Right to Work Act of 1996 and by the Social Security Solvency Act of 1999 had not been enacted''.

(d) STUDY OF THE EFFECT OF TAKING EARNINGS INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF DISABLED INDIVIDUALS.—

(1) IN GENERAL.—Not later than February 15, 2001, the Commissioner of Social Security shall conduct a study on the effect that taking earnings into account in determining substantial gainful activity of individuals receiving disability insurance benefits has on the incentive for such individuals to work and submit to Congress a report on the study.

(2) CONTENTS OF STUDY.—The study conducted under paragraph (1) shall include the evaluation of—

(A) the effect of the current limit on earnings on the incentive for individuals receiving disability insurance benefits to work;

(B) the effect of increasing the earnings limit or changing the manner in which disability insurance benefits are reduced or terminated as a result of substantial gainful activity (including reducing the benefits gradually when the earnings limit is exceeded) on—

(i) the incentive to work; and

(ii) the financial status of the Federal Disability Insurance Trust Fund;

(C) the effect of extending eligibility for the Medicare program to individuals during the period in which disability insurance benefits of the individual are gradually reduced as a result of substantial gainful activity and extending such eligibility for a fixed period of time after the benefits are terminated on—

(i) the incentive to work; and

(ii) the financial status of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund; and

(D) the relationship between the effect of substantial gainful activity limits on blind individuals receiving disability insurance benefits and other individuals receiving disability insurance benefits.

(3) CONSULTATION.—The analysis under paragraph (2)(C) shall be done in consultation with the Administrator of the Health Care Financing Administration.

(e) EFFECTIVE DATE.—The amendments and repeals made by subsections (a), (b), and (c) shall apply with respect to taxable years ending after December 31, 2002.

SEC. 11. SOCIAL SECURITY KIDSAVE ACCOUNTS.

Title II of the Social Security Act (42 U.S.C. 401 et seq.), as amended by section 3(a), is amended by adding at the end the following:

''PART C—KIDSAVE ACCOUNTS

''KIDSAVE ACCOUNTS

''SEC. 261. (a) ESTABLISHMENT.—The Commissioner of Social Security shall establish in the name of each individual born on or after January 1, 1995, a KidSave Account described in paragraph (1) of section 262(a), upon the later of—

''(1) the date of enactment of this part, or

''(2) the date of the issuance of a Social Security account number under section 205(c)(2) to such individual.

The KidSave Account shall be identified to the account holder by means of the account holder's Social Security account number.

''(b) CONTRIBUTIONS.—

''(1) IN GENERAL.—There are appropriated such sums as are necessary in order for the Secretary of the Treasury to transfer from the general fund of the Treasury for crediting by the Commissioner to each account holder's KidSave Account under subsection (a), an amount equal to the sum of—

''(A) in the case of any individual born on or after January 1, 2000, $1000.00, on the date of the establishment of such individual's KidSave Account, and

''(B) in the case of any individual born on or after January 1, 1995, $500.00, on the 1st, 2nd, 3rd, 4th, and 5th birthdays of such individual occurring on or after January 1, 2000.

''(2) ADJUSTMENT FOR INFLATION.—For any calendar year after 2009, each of the dollar amounts under paragraph (1) shall be increased by the cost-of-living adjustment determined under section 215(i) for the calendar year.

''(c) DESIGNATIONS REGARDING KIDSAVE ACCOUNTS.—

''(1) INITIAL DESIGNATIONS OF INVESTMENT VEHICLE.—A person described in subsection (d) shall, on behalf of the individual described in subsection (a), designate the investment vehicle for the KidSave Account to which contributions on behalf of such individual are to be deposited. Such designation shall be made on the application for such individual's Social Security account number.

''(2) CHANGES IN INVESTMENT VEHICLES OR TYPES OF KIDSAVE ACCOUNTS.—The Commissioner shall by regulation provide the time and manner by which—

''(A) an individual or a person described in subsection (d) on behalf of such individual may change 1 or more investment vehicles for a KidSave Account described in paragraph (1) of section 262(a), and

''(B) an individual or a person described in subsection (d) on behalf of such individual may designate a KidSave Account described in paragraph (2) of section 262(a) or a voluntary investment account described in paragraph (1) or (2) of section 254(a) of the individual to which all or a portion of the amounts in an existing KidSave Account described in paragraph (1) of section 262(a) are to be transferred.

''(d) TREATMENT OF MINORS AND INCOMPETENT INDIVIDUALS.—Any designation under subsection (c) to be made by a minor, or an individual mentally incompetent or under other legal disability, may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''DEFINITIONS AND SPECIAL RULES

''SEC. 262. (a) KIDSAVE ACCOUNTS.—For purposes of this part—

''(1) a KidSave Account described in this paragraph is a KidSave Account in the Voluntary Investment Fund (established under section 255(a)), and

''(2) a Kidsave Account described in this paragraph is any individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986), other than a Roth IRA (as defined in section 408A(b) of such Code), which is designated by an individual as a KidSave Account (in such manner as the Secretary of the Treasury may prescribe) and which is administered or issued by a bank or other person referred to in section 408(a)(2) of such Code.

''(b) TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2)—

''(A) any KidSave Account described in subsection (a)(1) shall be treated in the same manner as an account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code, and

''(B) any KidSave Account described in subsection (a)(2) shall be treated in the same manner as an individual retirement plan (as so defined).

''(2) EXCEPTIONS.—

''(A) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all KidSave Accounts of an individual shall not exceed the contribution made pursuant to section 261(b) for such year on behalf of such individual.

''(B) ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to a KidSave Account unless it is from another KidSave Account. A rollover described in the preceding sentence shall not be taken into account for purposes of subparagraph (A).

''(C) DISTRIBUTIONS.—Notwithstanding any other provision of law, distributions may only be made from a KidSave Account of an individual on or after the earlier of—

''(i) the date on which the individual begins receiving benefits under this title, or

''(ii) the date of the individual's death.''.

SOCIAL SECURITY SOLVENCY ACT OF 1999 INTRODUCED ON JANUARY 19, 1999, BY SENATORS MOYNIHAN AND KERREY—BRIEF DESCRIPTION OF PROVISIONS

I. REDUCE PAYROLL TAXES AND RETURN TO PAY-AS-YOU-GO SYSTEM WITH VOLUNTARY PERSONAL SAVINGS ACCOUNTS

A. Reduce payroll taxes and return to pay-as-you-go

The bill would return Social Security to a pay-as-you-go system. That is, payroll tax rates would be adjusted so that annual revenues from taxes closely match annual outlays. This makes possible an immediate payroll tax cut of approximately $800 billion over the next 10 years, with reduced rates remaining in place for the next 30 years. Payroll tax rates would be cut from 12.4 to 10.4 percent for the period 2002 to 2029, and the rate would not increase above 12.4 percent until 2035. Even in the out-years, the pay-as-you-go rates under the plan will increase only slightly above the current rate of 12.4 percent. Based on estimates prepared last year the proposed rate schedule is:

Years:

	Percent
2002–2029	10.4
2030–2034	12.4
2035–2049	12.9
2050–2059	13.3
2060 and thereafter	13.7

To ensure continued solvency, the Board of Trustees of the Social Security Trust Funds would make recommendations for a new pay-as-you-go tax rate schedule if the Trust Funds fall out of close actuarial balance. The new tax rate schedule would be considered by Congress under fast track procedures.

B. Personal savings accounts

Beginning in 2002, the bill would permit voluntary personal savings accounts which workers could finance with the proceeds of the two percentage point cut in the payroll tax. Alternatively, a worker could simply take the employee share of the tax cut (one percent of wages) as an increase in take-home pay. In addition, KidSave accounts, of up to $3,500, would be opened for all children born in 1995 or later.

C. Increase in amount of wages subject to tax

Under current law, the Social Security payroll tax applies only to the first $72,600 of wages in 1999. At that level, about 85 percent of wages in covered employment are taxed. That percentage has been falling because wages of persons above the taxable maximum have been growing faster than wages of persons below it.

Historically, about 90 percent of wages have been subject to tax. Under the bill, the taxable maximum would be increased to $99,900 (thereby imposing the tax on about 87 percent of wages) by 2004. Thereafter, automatic changes in the base, tied to increases in average wages, would be resumed. (Under current law, the taxable maximum is projected to increase to $84,900 in 2004, with

automatic changes also continuing thereafter.)

II. INDEXATION PROVISIONS

A. Correct cost of living adjustments by one percentage point

The bill includes a one percentage point correction in cost of living adjustments. The correction would apply to all indexed programs (outlays and revenues) except Supplemental Security Income. The Bureau of Labor Statistics has made some improvements in the Consumer Price Index, but most of these were already taken into account when the Boskin Commission appointed by the Senate Finance Committee reported in 1996 that the overstatement of the cost of living by the CPI was 1.1 percentage points.[1] Members of the Commission believe that the overstatement will average about one percentage point for the next several years. The proposed legislation would also establish a Cost of Living Board to determine on an annual basis if further refinements are necessary.

B. Adjustments in monthly benefits related to changes in life expectancy

Under current law, the so-called normal retirement age (NRA) is scheduled to gradually increase from age 65 to 67. In practice, the NRA is important as a benchmark for determining the monthly benefit amount, but it does not reflect the actual age at which workers receive retirement benefits. More than 70 percent of workers begin collecting Social Security retirement benefits before they reach age 65, and more than 50 percent do so at age 62. Under the bill, workers can continue to receive benefits at age 62 and the provision in the 1983 Social Security amendments that increased the NRA to 67 is repealed. Instead, under this legislation, if life expectancy increases the level of monthly benefits payable at age 65 (or at the age at which the worker actually retires) decreases.

These changes in monthly benefits are a form of indexation that mirrors the projected gradual increase in life expectancy over a period of more than 100 years. For example, persons who retired in 1960 at age 65 had a life expectancy, at age 65, of 15 years and spent about 25 percent of their adult life in retirement. Persons retiring in 2060, at age 70, are projected to have a life expectancy at age 70 of more than 16 years, and thus would also spend about 25 percent of their adult life in retirement.

III. PROGRAM SIMPLIFICATION—REPEAL OF EARNINGS TEST

The so-called earnings test would be eliminated for all beneficiaries age 62 and over, beginning in 2003. (Under current law, the test increases to $30,000 in 2002.) Under the earnings test benefits are withheld (reduced) for one million beneficiaries because wages are in excess of the earnings limit. This is an unnecessary administrative burden because beneficiaries eventually receive all of the benefits that are withheld. Indeed, Social Security Administration actuaries estimate that the long-run cost of repealing the earnings test is zero.

IV. OTHER CHANGES

All three factions of the 1994–96 Social Security Advisory Council supported some variation of the following common sense changes in the program.

A. Normal Taxation of Benefits

Social Security benefits would be taxed to the same extent private pensions are taxed. That is, Social Security benefits would be taxed to the extent that the worker's benefits exceed his or her contributions to the system (currently about 95 percent of benefits would be taxed). This provision would be phased-in over the 5 year period 2000–2004.

B. Coverage of Newly Hired State and Local Employees

Effective in 2002, Social Security coverage would be extended to newly hired employees in currently excluded State and local positions. Inclusion of State and local workers is sound public policy because most of the five million State and local employees (about a quarter of all State and local employees) not covered by Social Security in their government employment do receive Social Security benefits as a result of working at other jobs—part-time or otherwise—that are covered by Social Security. Relative to their contributions these workers receive generous benefits.

C. Increase in Length of Computation Period

The legislation would increase the length of the computation period from 35 to 38 years. Consistent with the increase in life expectancy and the increase in the retirement age we would expect workers to have more years with earnings. Computation of their benefits should be based on these additional years of earnings.

SUMMARY OF BUDGET EFFECTS

The legislation provides for long-run solvency of Social Security, with little or no effect on the budget surplus. In the Economic and Budget Outlook: Update, released in August, 1998, the Congressional Budget Office (CBO) projected that for the five-year period FY 1999–2003, the cumulative surplus would be $520 billion, and $1.548 trillion for the ten-year period FY 1999–2008. Preliminary estimates, based on these budget projections, indicate that this legislation, while preserving Social Security, and while reducing payroll taxes by almost $800 billion, will reduce the ten-year cumulative surplus by less than $200 billion. In no year is there a budget deficit. (CBO will provide updated budget estimates after its new baseline is released later this month.)—Prepared by the Senate Finance Committee Minority Staff, January, 1999.

PAY-AS-YOU-GO PAYROLL TAX RATES REQUIRED TO FUND SOCIAL SECURITY

Year	Assuming no program changes	Social Security Solvency Act of 1999
2002	10.40	10.40
2005	10.40	10.40
2010	10.40	10.40
2015	12.40	10.40
2020	15.20	10.40
2025	16.50	10.40
2030	17.00	12.40
2035	17.00	12.90
2040	17.00	12.90
2045	17.00	12.90
2050	17.00	13.30
2055	17.80	13.30
2060	17.80	13.70
2065	17.80	13.70
2070	18.30	13.70

Note: The Social Security payroll tax rate is fixed by statute at 12.4 percent. Assuming no program changes the current law program is not sustainable. In 2013, outgo for the OASDI program will exceed tax revenues. In 2032, all OASDI assets (reserves) will be expended, after which tax revenues will only be sufficient to pay 75 percent or less or promised benefits.

CBO BUDGET ESTIMATES—FISCAL YEARS 1999–2008

(In billions of dollars)

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Cumulative surplus 5 years 1999–2003	Cumulative surplus 10 years 1999–2008
Estimated surplus under current policies: CBO summer 1998 budget projection	80	79	86	139	136	154	170	217	236	251	520	1,548
Estimated surplus under the Social Security Solvency Act of 1999	80	48	50	92	89	121	153	211	240	268	359	1,352

Prepared by the Senate Finance Committee Minority Staff based on the Congressional Budget Office Summer 1998 Budget projection and preliminary estimate of the Social Security Solvency Act of 1999. January 1999.

By Mr. MOYNIHAN (for himself, Mr. HELMS, Mr. LOTT, Mr. DASCHLE, Mr. THOMPSON, Ms. COLLINS, and Mr. SCHUMER):

S. 22. A bill to provide for a system to classify information in the interests of national security and a system to declassify information, and for other purposes; to the Committee on Governmental Affairs.

THE GOVERNMENT SECRECY REFORM ACT

Mr. MOYNIHAN. Mr. President, I rise to introduce the Government Secrecy Reform Act. I would like to begin by thanking my cosponsors, Senators HELMS, LOTT, DASCHLE, THOMPSON, COLLINS, and SCHUMER. The legislation that we introduce today is intended to implement the core recommendation of the Commission on Protecting and Reducing Government Secrecy: a statute establishing the principles to govern the classification and declassification of information.

The Federal government has a legitimate interest in maintaining secrets in order to fulfill its Constitutional charge to ''provide for the common defense.'' At the same time, this interest must be balanced by the public's right to be informed of government activities.

[1] A number of improvements announced by the BLS after this legislation was first introduced in 1998 would lower the reported change in prices. The authors are considering what modifications, if any, should be made to the bill as a result of the BLS announcements. They are also discussing, with the Social Security actuaries, the effects of this change on the long-run projections made by the actuaries.

The Commission on Protecting and Reducing Government Secrecy, which I chaired, found a secrecy system out of balance: one which has lost the confidence of many inside and outside the Government. Consequently, information needing protection does not always receive it, while innocuous information is classified and remains classified. The Commission found in its 1997 report that ''[t]he best way to ensure that secrecy is respected, and that the most important secrets remain secret, is for secrecy to be returned to its limited but necessary role. Secrets can be protected more effectively if secrecy is reduced overall.''

Begin with the concept that secrecy should be understood as a form of government regulation. This was an insight of the Commission, building on the work of the great German sociologist Max Weber. The instinct of the bureaucracy, Weber wrote, was to ''increase the superiority of the professionally informed by keeping their knowledge and intentions secret.'' The concept of the ''official secret'' ''is the specific invention of bureaucracy, and nothing is so fanatically defended by the bureaucracy as this attitude.''

We traditionally think of regulation as a means to govern how citizens are to behave. Whereas public regulation involves what citizens may do, secrecy concerns what citizens may know. And the citizen does not know what may not be known. As our Commission stated: ''Americans are familiar with the tendency to overregulate in other areas. What is different with secrecy is that the public cannot know the extent or the content of the regulation.''

Thus, secrecy is the ultimate mode of regulation; the citizen does not even know that he or she is being regulated! It is a parallel regulatory regime with a far greater potential for damage if it malfunctions. In our democracy, where the free exchange of ideas is so essential, it can be suffocating.

To reform this system, the Commission recommended legislation be adopted. Senator JESSE HELMS and I, and Representatives LARRY COMBEST and Lee Hamilton (all Commissioners), introduced the Government Secrecy Act on May 7, 1997. Our core objective is to ensure that secrecy proceed according to law. Since the Truman Administration, classification and declassification have been governed by a series of executive orders but not one has created a stable and reliable system to ensure we protect what truly needs protecting and nothing more. The system lacks the discipline of a legal framework to define and enforce the proper uses of secrecy. The proposed statute can help ensure that the present regulatory regime will not simply continue to flourish without any restraint and without meaningful oversight and accountability.

The Senate Governmental Affairs Committee, Chaired by Senator THOMPSON of Tennessee, considered the bill in the 105th Congress and reported it unanimously. In its report to accompany the bill, the Committee had this important insight:

> Our liberties depend on the balanced structure created by James Madison and the other framers of the Constitution. The national security information system has not had a clear legislative foundation, but . . . has been developed through a series of executive orders. It is time to bring this executive monopoly over the issue to an end, and to begin to engage in the same sort of dialogue between Congress and the executive that characterizes the development of government policy in all other means.

As the Cold War gathered, this ''executive monopoly'' as the Governmental Affairs Committee has termed it, was spawned. The United States had to organize itself to deal with aggression from the Soviet Union. American society in peacetime began to experience wartime regulation. The awful dilemma was that in order to preserve an open society, the U.S. government took measures that in significant ways closed it down. The culture of secrecy that evolved was intended as a defense against two antagonists: the enemy abroad and the enemy within.

Edward Shils chronicled the perils of this growing secrecy system in his 1956 work, The Torment of Secrecy. He said of this era:

> The American visage began to cloud over. Secrets were to become our chief reliance just when it was becoming more and more evident that the Soviet Union had long maintained an active apparatus for espionage in the United States. For a country which had never previously thought of itself as an object of systematic espionage by foreign powers, it was unsettling.

The larger society, Shils continued, was ''facing an unprecedented threat to its continuance.'' In such circumstances, ''the phantasies of apocalyptic visionaries now claimed the respectability of being a reasonable interpretation of the real situation.''

Shils was writing, as he explained in his Foreword, ''after nearly a decade of degrading agitation and numerous unnecessary and unworthy actions . . .'' Today, by contrast, the public and its representatives have few of the concerns of ideological ''infiltration'' that dominated our attention and our domestic politics during the decade preceding Shils' book.

Indeed, if there is such a thing as a ''typical'' case of espionage, it involves an employee well into mid-career who sells national security secrets out of greed, not because of any ideologically-based motivation.

Moreover, today it is the United States government that increasingly finds itself the object of what Shils four decades ago termed the ''phantasies of apocalyptic visionaries.''

Conspiracy theories have been with us since the birth of the Republic. The best-known and most notorious is, of course, the unwillingness on the part of the vast majority of the American public to accept that President Kennedy was assassinated in 1963 by Lee Harvey Oswald acting alone. A poll taken in 1966, two years after release of the Warren Commission report concluding that Oswald had acted alone, found that 36 percent of respondents accepted this finding, while 50 percent believed others had been involved in a conspiracy to kill the President. By 1978 only 18 percent responded that they believed the assassination had been the act of one man; fully 75 percent believed there had been a broader plot. The numbers have remained relatively steady since; a 1993 poll also found that three-quarters of those surveyed believed (consistent with the film ''JFK,'' released that year) that there had been a conspiracy.

It so happens that I was in the White House at the hour of the President's death (I was an Assistant Labor Secretary at the time). I feared what would become of Oswald if he were not protected and I pleaded that we must get custody of him. But no one seemed to be able to hear. Presently Oswald was killed, significantly complicating matters.

I did not think there had been a conspiracy to kill the President, but I was convinced that the American people would sooner or later come to believe that there had been one unless we investigated the event with exactly that presumption in mind. The Warren Commission report and the other subsequent investigations, with their nearly universal reliance on secrecy, did not dispel any such fantasies.

The Assassination Records Review Board has now completed its congressionally mandated review and release of documents related to President Kennedy's assassination. It has assembled at the National Archives a thorough collection of documents and evidence that was previously secret and scattered about the government. The Review Board found that while the public has continued to search for answers over the past thirty-five years:

> [T]he official record on the assassination of President Kennedy remained shrouded in secrecy and mystery.
>
> The suspicions created by government secrecy eroded confidence in the truthfulness of federal agencies in general and damaged their credibility.

Credibility eroded needlessly, as most of the documents which the Board reviewed were declassified. In conducting this document-by-document review of classified information, the Board reports that ''the federal government needlessly and wastefully classified and then withheld from public access countless important records that did not require such treatment.''

With the Government Secrecy Reform Act, we are not proposing putting an end to government secrecy. Far from it. It is at times terribly necessary and used for the most legitimate

reasons—ranging from military operations to diplomatic endeavors. Indeed, much of our Commission's report is devoted to explaining the varied circumstances in which secrecy is most essential. Yet, the bureaucratic attachment to secrecy has become so warped that, in the words of Kermit Hall, a member of the Assassination Records Review Board, it has transformed into ''a deeply ingrained commitment to secrecy as a form of partriotism.'' From this perspective, it is easy to see how secrecy became the norm.

Secrecy need not remain the only norm—particularly when one considers that the current badly overextended system frequently fails to protect its most important secrets adequately. We must develop what might be termed a competing ''culture of openness''—fully consistent with our interests in protecting national security. A culture in which power and authority are no longer derived primarily from one's ability to withhold information from others in government and the public at large.

This is our purpose in introducing the Government Secrecy Reform Act. I thank those who have agreed to cosponsor the bill and ask my colleagues to lend it the attention it deserves.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 22

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 ''Government Secrecy Reform Act of 1999''.

SEC. 2. CLASSIFICATION AND DECLASSIFICATION OF INFORMATION.

(a) IN GENERAL.—The President may, in accordance with the provisions of this Act, protect from unauthorized disclosure any information owned by, produced by or for, or under the control of the executive branch when there is a demonstrable need to do so in order to protect the national security of the United States.

(b) ESTABLISHMENT OF STANDARDS AND PROCEDURES FOR CLASSIFICATION AND DECLASSIFICATION.—

(1) GOVERNMENTWIDE PROCEDURES.—

(A) CLASSIFICATION.—The President shall, to the extent necessary, establish categories of information that may be classified and procedures for classifying information under subsection (a).

(B) DECLASSIFICATION.—At the same time the President establishes categories and procedures under subparagraph (A), the President shall establish procedures for declassifying information that was previously classified.

(2) NOTICE AND COMMENT.—

(A) NOTICE.—The President shall publish in the Federal Register notice regarding the categories and procedures proposed to be established under paragraph (1).

(B) COMMENT.—The President shall provide an opportunity for interested persons to submit comments on the categories and procedures covered by subparagraph (A).

(C) DEADLINE.—The President shall complete the establishment of categories and procedures under paragraph (1) not later than 60 days after publishing notice in the Federal Register under subparagraph (A). Upon completion of the establishment of such categories and procedures, the President shall publish in the Federal Register notice regarding such categories and procedures.

(3) MODIFICATION.—In the event the President determines to modify any categories or procedures established under paragraph (1), subparagraphs (A) and (B) of paragraph (2) shall apply to such modification.

(4) AGENCY STANDARDS AND PROCEDURES.—

(A) IN GENERAL.—The head of each agency shall establish standards and procedures to permit such agency to classify and declassify information created by such agency in accordance with the categories and procedures established by the President under this section and otherwise to carry out the provisions of this Act. Such standards and procedures shall include mechanisms to minimize the risk of inadvertent or inappropriate declassification of previously classified information (including information classified by other agencies).

(B) GUIDANCE.—

(i) IN GENERAL.—The President shall require the head of each agency with original classification authority to produce written guidance on the classification and declassification of information in order to improve the classification and declassification of information by such agency and the derivative classification of information and declassification of derivatively classified information by such agency and other agencies. Such guidance may be treated as classified information under this Act.

(ii) DECLASSIFICATION PERIOD FOR CERTAIN INFORMATION.—

(I) IN GENERAL.—In producing written guidance under clause (i), the head of an agency may specify types and categories of information that may remain classified for up to 25 years after the date of original classification.

(II) APPROVAL REQUIRED.—The specification of a type or category of information under subclause (I) shall be effective only with the approval of the Director of the Office of National Classification and Declassification Oversight.

(C) DEADLINE.—Each agency head shall establish standards and procedures under subparagraph (A) and produce written guidance under subparagraph (B) not later than 60 days after the date on which the President publishes notice under paragraph (2)(C) of the categories and standards established by the President under paragraph (1).

(D) PUBLICATION.—Each agency head shall publish in the Federal Register the standards and procedures established by such agency head under subparagraph (A).

(c) STANDARD FOR CLASSIFICATION AND DECLASSIFICATION DECISIONS.—

(1) IN GENERAL.—Subject to paragraph (2), information may be classified under this Act, and classified information under review for declassification under this Act may remain classified, only if the harm to national security that might reasonably be expected from disclosure of such information outweighs the public interest in disclosure of such information.

(2) DEFAULT RULE.—In the event of significant doubt whether the harm to national security that might reasonably be expected from the disclosure of information would outweigh the public interest in the disclosure of such information, such information shall not be classified or, in the case of classified information under review for declassification, declassified.

(3) FACTORS IN DECISIONS.—

(A) IN GENERAL.—The President shall prescribe the factors to be utilized in deciding for purposes of paragraph (1) whether the disclosure of information might reasonably be expected to harm national security or might serve the public interest.

(B) GUIDANCE.—In prescribing factors under subparagraph (A), the President shall also prescribe guidance to be utilized in applying such factors. The guidance shall specify with reasonable detail the weight to be assigned each factor and the manner of balancing among opposing factors of similar or different weight.

(C) PROCESS.—The President shall prescribe factors and guidance under this paragraph at the same time the President establishes categories and procedures under subsection (b)(1) and subject to the notice and comment procedures set forth under subsection (b)(2).

(d) WRITTEN JUSTIFICATION FOR CLASSIFICATION.—

(1) ORIGINAL CLASSIFICATION.—Each agency official who makes a decision to classify information not previously classified shall, at the time of such decision—

(A) identify himself or herself;

(B) provide in writing a detailed justification of that decision; and

(C) indicate the basis for the classification of the information with reference to the written guidance produced under subsection (b)(4)(B).

(2) DERIVATIVE CLASSIFICATION.—In any case in which an agency official or contractor employee classifies a document on the basis of information previously classified that is included or referenced in the document, the official or employee, as the case may be, shall—

(A) identify himself or herself in that document; and

(B) provide a concise explanation of that decision.

(e) DECLASSIFICATION OF INFORMATION CLASSIFIED UNDER ACT.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), information classified under this Act may not remain classified under this Act after the date that is 10 years after the date of the original classification of the information.

(2) EARLIER DECLASSIFICATION.—When classifying information under this Act, an agency official may provide for the declassification of the information as of a date or event that is earlier than the date otherwise provided for under paragraph (1).

(3) LATER DECLASSIFICATION.—

(A) IN GENERAL.—When classifying information under this Act, an agency official with original classification authority over the information may provide for the declassification of the information on a date that is up to 25 years after the date of original classification in accordance with the guidance approved under subsection (b)(4)(B)(ii).

(B) POSTPONEMENT.—The actual date of the declassification of information referred to in subparagraph (A) may be postponed under paragraph (4)(D).

(4) POSTPONEMENT OF DECLASSIFICATION.—

(A) IN GENERAL.—The declassification of any information or category of information that would otherwise be declassified under paragraph (1) or (2) may be postponed if an official of the agency with original classification authority over the information or

category of information, as the case may be, determines, before the time of declassification for such information otherwise provided for under paragraph (1) or (2), as the case may be, that the information or category of information, as the case may be, should remain classified.

(B) PROCEDURE.—An official may not implement a determination under subparagraph (A) until the official obtains the concurrence of the Director of the Office of National Classification and Declassification Oversight in the determination.

(C) GENERAL DURATION OF POSTPONEMENT.—Except as provided in subparagraph (D), information the declassification of which is postponed under this paragraph may remain classified not longer than 15 years after the date of the postponement.

(D) EXTENDED DURATION OF POSTPONEMENT.—

(i) IN GENERAL.—Subject to clauses (ii) and (iii), the declassification of any information that would otherwise be declassified under subparagraph (C) or paragraph (3) may be postponed if an official of the agency with original classification authority over the information determines that extraordinary circumstances require that the information remain classified.

(ii) PROCEDURES.—An official may not implement a determination under clause (i) until the official—

(I) obtains the concurrence of the Director of the Office of National Classification and Declassification Oversight in the determination; and

(II) submits to the President a certification of the determination.

(iii) REVIEW.—The President shall establish a schedule for the review of the need for continued classification of any information the declassification of which is postponed under this subparagraph. Such information shall be declassified at the earliest possible time after the termination of the circumstances with respect to such information referred to in clause (i).

(E) CONCURRENCES.—A concurrence at the direction of the Classification and Declassification Review Board on appeal under section 4(c)(2) and a concurrence at the direction of the President on appeal under section 5(a) shall be treated as a concurrence of the Director of the Office of National Classification and Declassification Oversight for purposes of subparagraphs (B) and (D)(ii)(I).

(5) APPROVAL REQUIRED FOR DECLASSIFICATION OF INFORMATION.—Except as provided in this Act, no information classified under this Act may be declassified or released without the approval of the agency that originally classified the information.

(6) SPECIFICATION OF DECLASSIFICATION DATE OR EVENT.—Each agency official making a decision to classify information under this subsection shall specify upon such information the date or event of its declassification.

(f) DECLASSIFICATION OF CURRENT CLASSIFIED INFORMATION.—

(1) PROCEDURES.—The President shall establish procedures for declassifying information that was classified before the effective date of this Act. Such procedures shall, to the maximum extent practicable, be consistent with the provisions of this section.

(2) AUTOMATIC DECLASSIFICATION.—The procedures established under paragraph (1) shall include procedures for the automatic declassification of information referred to in that paragraph that has remained classified for more than 25 years as of the effective date referred to in that paragraph.

(3) NOTICE AND COMMENT.—

(A) NOTICE.—The President shall publish notice in the Federal Register of the procedures proposed to be established under this subsection.

(B) COMMENT.—The President shall provide an opportunity for interested persons to submit comments on the procedures covered by subparagraph (A).

(C) DEADLINE.—The President shall complete the establishment of procedures under this subsection not later than 60 days after publishing notice in the Federal Register under subparagraph (A). Upon completion of the establishment of such procedures, the President shall publish in the Federal Register notice regarding such procedures.

(g) CONFORMING AMENDMENT TO FOIA.—Section 552(b)(1) of title 5, United States Code, is amended to read as follows:

''(1) (A) specifically authorized to be classified under the Government Secrecy Reform Act of 1999 or specifically authorized under criteria established by an Executive order to be kept secret in the interest of national security and (B) are in fact properly classified pursuant to that Act or Executive order;''.

SEC. 3. OFFICE OF NATIONAL CLASSIFICATION AND DECLASSIFICATION OVERSIGHT.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the National Archives and Records Administration an office to be known as the Office of National Classification and Declassification Oversight (in this section referred to as the ''Oversight Office'').

(2) PURPOSE.—The purpose of the Oversight Office is to standardize the policies and procedures used by agencies to assess information for initial classification and to review information for declassification.

(3) POLICY GUIDANCE.—On behalf of the President, the Assistant to the President for National Security Affairs shall provide policy guidance to the Oversight Office.

(4) BUDGET.—

(A) CONSULTATION IN PREPARATION.—The Archivist of the United States shall consult with the Assistant to the President for National Security Affairs and the Director of the Office of Management and Budget in preparing the annual budget request for the Oversight Office.

(B) PRESENTATION.—The annual budget request for the Oversight Office shall appear as a distinct item in the annual budget request of the National Archives and Records Administration.

(b) DIRECTOR.—

(1) IN GENERAL.—There shall be a Director of the Office of National Classification and Declassification Oversight who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be the head of the Oversight Office.

(2) QUALIFICATIONS.—To the maximum extent practicable, the President shall nominate for appointment as Director individuals who have experience in policy relating to classification and declassification of information, records management, and information technology.

(3) SUPERVISION.—The Director shall report directly to the Archivist of the United States.

(4) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

''Director, Office of National Classification and Declassification Oversight.''.

(c) PERSONNEL AND RESOURCES.—

(1) TRANSFER.—All personnel, funds, and other resources of the Information Security Oversight Office are hereby transferred to the Oversight Office and shall constitute the personnel, funds, and other resources of the Oversight Office.

(2) INTERIM DIRECTOR.—The Director of the Information Security Oversight Office shall serve as acting Director of the Oversight Office until a Director of the Oversight Office is appointed under subsection (b)(1).

(d) DUTIES.—The Oversight Office shall—

(1) coordinate and oversee the classification and declassification policies and practices of agencies in order to ensure the compliance of such policies and procedures with the provisions of this Act;

(2) develop and issue directives, instructions, and educational aids and forms to assist in the implementation of the provisions of this Act;

(3) develop a program of research and development of technologies to improve the efficiency of classification and declassification processes under this Act;

(4) determine whether or not information is classified in violation of this Act and order that information determined to be classified in violation of this Act be declassified by the agency that originated the classification;

(5) determine whether an agency determination to postpone the declassification of information under section 2(e)(4) is consistent with the provisions of this Act;

(6) review the proposed budgets of agencies for classification and declassification programs and make recommendations to the Office of Management and Budget as to means of ensuring that such budgets provide sufficient funds to permit agencies to comply with the requirements of this Act;

(7) oversee special access programs consistent with its other duties under this section;

(8) conduct audits and on-site reviews of agency classification and declassification programs; and

(9) establish and maintain a Government-wide database on the declassification activities of the Government, including an unclassified version of the database available to the public.

(e) AGENCY COOPERATION.—

(1) IN GENERAL.—Subject to the control and supervision of the President, each agency shall provide the Oversight Office such information and other cooperation as the Director of the Oversight Office considers appropriate to permit the Oversight Office to carry out its duties.

(2) SPECIAL ACCESS PROGRAMS.—The head of an agency with jurisdiction over special access programs may—

(A) limit access to such programs to not more than the Director and one other employee of the Oversight Office; and

(B) upon the concurrence of the President, deny access by the Oversight Office to any such program if the head of such agency determines that such access would pose an exceptional risk to national security.

(f) APPEALS FROM CERTAIN DECISIONS.—

(1) IN GENERAL.—An agency may appeal to the Classification and Declassification Review Board any declassification order or determination under paragraph (4) or (5) of subsection (d).

(2) DEADLINE.—An agency may appeal an order or determination under paragraph (1) only if the agency submits the appeal to the Board not later than 60 days after the date of the order or determination, as the case may be.

(g) PROTECTION OF INFORMATION.—The Director of the Oversight Office shall take appropriate actions to prevent disclosure to

the public of classified information that is provided to the Oversight Office. Such actions shall include a requirement that the staff of the Oversight Office possess security clearances appropriate for the information considered and reviewed by the Oversight Office.

(h) ANNUAL REPORT.—

(1) REQUIREMENT.—Not later than March 31 each year, the Director of the Oversight Office shall submit to Congress and to the President a report on the compliance of agencies with the requirements of this Act.

(2) ELEMENTS.—Each report under paragraph (1) shall—

(A) include a summary of the extent of the compliance of agencies Government-wide with the requirements of this Act as of the date of such report; and

(B) set forth an assessment of the compliance of each agency with such requirements as of that date.

(3) FORM.—Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(4) AVAILABILITY.—The Oversight Office shall make available to the public the unclassified form of each report under paragraph (1) on an Internet Web site maintained by the Oversight Office.

SEC. 4. CLASSIFICATION AND DECLASSIFICATION REVIEW BOARD.

(a) ESTABLISHMENT.—There is established within the Executive Office of the President a board to be known as the Classification and Declassification Review Board (in this section referred to as the ''Board'').

(b) MEMBERSHIP AND PROCEDURAL MATTERS.—

(1) IN GENERAL.—The Board shall consist of five members appointed by the President, by and with the advice and consent of the Senate, of whom—

(A) four shall be private citizens;

(B) two shall be officers or employees of the Federal Government; and

(2) QUALIFICATIONS.—

(A) PRIVATE CITIZENS.—The members of the Board who are private citizens shall be appointed from among individuals who are distinguished historians, political scientists, archivists, and other social scientists or who otherwise have demonstrated expertise in matters relating to the national security of the United States, records management, or government information policy.

(B) GOVERNMENT EMPLOYEES.—The members of the Board who are officers or employees of the Federal Government shall be appointed from among such officers and employees who have demonstrated expertise in matters referred to in subparagraph (A).

(C) CHANGE IN EMPLOYMENT.—Notwithstanding any provision of paragraph (1), the commencement or termination of service as an officer or employee of the Federal Government of an individual appointed as a member of the Board under that paragraph before such commencement or termination shall not affect the continuation of such individual as a member of the Board.

(3) NOMINATIONS.—

(A) CONSULTATION.—In nominating individuals for appointment to the Board, the President shall consult with the Secretary of Defense, Secretary of State, Attorney General, Assistant to the President for National Security Affairs, Director of Central Intelligence, Archivist of the United States, and Director of the Office of Management and Budget.

(B) LIMITATION.—The President may not nominate for appointment to the Board any individual who has previously served as a member of the Board.

(C) INITIAL NOMINATIONS.—The President shall make the first nominations of individuals for appointment to the Board not later than 120 days after the effective date of this Act.

(D) BIPARTISAN REPRESENTATION.—Of the members of the Board appointed under paragraph (1)(A), not more than two shall be of the same political party.

(4) PRESIDING OFFICER.—The President shall designate a member of the Board appointed under paragraph (1)(A) to serve as the Presiding Officer of the Board.

(5) TERM.—Members of the Board shall be appointed for a term of 4 years, except that of the members first nominated for appointment to the Board under paragraph (3)(C)—

(A) two shall be nominated for a 4-year term (including the member who shall be the Presiding Officer of the Board);

(B) two shall be nominated for a 3-year term; and

(C) two shall be nominated for a 2-year term.

(6) VACANCIES.—An individual appointed to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(7) PROCEDURAL MATTERS.—

(A) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold hearings.

(B) RULES AND PROCEDURES.—

(i) REQUIREMENT.—The Board shall establish, and may from time to time modify, such rules and procedures as the Board considers appropriate to carry out its duties. Such rules and procedures shall provide that a decision of the Board requires a vote of a majority of the members of the Board.

(ii) PUBLICATION.—The Board shall publish its rules and procedures in the Federal Register.

(iii) INITIAL RULES AND PROCEDURES.—The Board shall establish its initial rules and procedures not later than 90 days after the date of initial meeting of the Board.

(c) POWERS AND DUTIES.—The Board shall—

(1) decide on appeals by agencies which challenge a declassification order of the Office of National Classification and Declassification Oversight under section 3(d)(4);

(2) decide on appeals by agencies which challenge a determination of that Office not to concur in the postponement of the declassification of information under section 3(d)(5); and

(3) decide on appeals by persons or entities who have filed requests for mandatory declassification review.

(d) PROTECTION OF INFORMATION.—The Board shall take appropriate actions to prevent the disclosure to the public of classified information that is provided to the Board. Such actions shall include a requirement that the members and staff of the Board possess security clearances appropriate for the information considered and reviewed by the Board.

(e) PERSONNEL MATTERS.—

(1) COMPENSATION.—

(A) COMPENSATION.—Each member of the Board who is a private citizen shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board.

(B) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(2) STAFF.—The Presiding Officer of the Board may, with the concurrence of the Board, appoint such staff, including an executive secretary, as the Board requires to carry out its duties.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 5. APPEAL OF DETERMINATIONS OF CLASSIFICATION AND DECLASSIFICATION REVIEW BOARD.

(a) APPEAL.—Subject to subsection (c), any agency may appeal to the President a decision or other action of the Classification and Declassification Review Board under section 4(c).

(b) DEADLINE.—An agency may appeal a decision or other action under subsection (a) only if the agency submits the appeal to the President not later than 60 days after the date of the decision or other action concerned.

(c) FINALITY.—A decision of the President on an appeal under subsection (a) shall be final.

SEC. 6. PROHIBITIONS.

(a) WITHHOLDING INFORMATION FROM CONGRESS.—Nothing in this Act shall be construed to authorize the withholding of information from Congress.

(b) JUDICIAL REVIEW.—Except in the case of the amendment to section 552 of title 5, United States Code, made by section 2(g), no person may seek or obtain judicial review of any provision of this Act or any action taken under a provision of this Act.

SEC. 7. DEFINITIONS.

In this Act:

(1) The term ''agency'' means any executive agency as defined in section 105 of title 5, United States Code, any military department as defined in section 102 of such title, and any other entity in the Executive Branch of the Government that comes into the possession of classified information.

(2) The terms ''classify'', ''classified'', and ''classification'' refer to the process by which information is determined to require protection from unauthorized disclosure pursuant to this Act in order to protect the national security of the United States.

(3) The terms ''declassify'', ''declassified'', and ''declassification'' refer to the process by which information that has been classified is determined to no longer require protection from unauthorized disclosure pursuant to this Act.

SEC. 8. EFFECTIVE DATE.

This Act and the amendment made by section 2(g) shall take effect 180 days after the date of the enactment of this Act.

Mr. HELMS. Mr. President, I am pleased to join Senator MOYNIHAN today in introducing a bill that would for the first time place in statute the government system for the classification of information. To date this has been accomplished solely through executive order.

The statute is based on the recommendations contained in the report of the Commission to Protect and Reduce Government Secrecy chaired by

my colleague PAT MOYNIHAN, the senior senator from New York. The Secrecy Commission achieved a unified report of recommendations—a feat that should not be underrated, especially in Washington. The bill also makes changes based on recommendations by the Government Affairs Committee during its consideration of our legislation during the 105th Congress.

The bill recognizes that over-classification can actually weaken the protections of those secrets that truly are in our national interest. All the same I am obliged to begin with a reiteration of the obvious—that the protection of true national security information remains vital to the well-being and security of the United States. The end of the Cold War notwithstanding, the United States continues to face serious and long-term threats from a variety of fronts. While communist and anti-American regimes, such as North Korea, Cuba, Iran and Iraq, continue to wage a war against the United States, new threats have arisen as well. Indeed, there is even a growing trend of espionage conducted not by our enemies but by American allies. Such espionage is on the rise especially against U.S. economic secrets.

At first blush, a push to reduce government secrecy may seem at odds with these increasing threats. I am convinced it is not. The sheer volume of government ''secrets''—and their costs to the taxpayers and U.S. business—is staggering. In 1996 the taxpayers spent more than $5.2 billion to protect classified information. We know all too well from our own experiences that when everything is secret nothing is secret.

Secrecy all too often then becomes a political tool used by Executive Branch agencies to shield information which may be politically sensitive or policies which may be unpopular with the American people. Worse yet, information may be classified to hide from public view illegal or unethical activity. On numerous occasions, I, and other Members of Congress, have found the Executive Branch to be reluctant to share certain information, the nature of which is not truly a ''national secret,'' but which would potentially be politically embarrassing to officials in the Executive Branch or which would make known an illegal or indefensible policy.

I have also found that one of the largest impediments to openness is the perverse incentives of the government bureaucracy itself in favor of classification, and the lack of accountability for those who do the actual classification. I strongly endorse the Commission's recommendation of adding individual accountability to the process by requiring a detailed justification of the decision to classify.

On the other hand, declassification decisions can be politicized. Limited resources for declassification are used to declassify information for political purposes. Only recently, in the case of documents relating to U.S. activities in Central and South America the Administration has made decisions to declassify documents at the request of certain interest groups. As a result the resources for routine declassification are being redirected to serve political ends. This bill would serve to eliminate politicized declassification decisions by requiring routine declassification and oversight by an independent board.

I would add a note of caution regarding declassification, however. In the course of the two years of its work, the Commission became very interested in the declassification of existing documents and materials. In a perfect world, if information remains relevant to true U.S. national interests it should remain classified indefinitely. Information that does not compromise U.S. interests and sources should be made public. We all realize, however, that this is a tremendously costly venture. In fact, the Commission was unable to come up with solid data on the true cost of declassification.

In this era when Congress has finally begun to grasp the essential need to reduce government spending and balance the budget, the issue of balancing costs and benefits is an essential one. The financial costs to the American taxpayers must be balanced against the necessity of the declassification. The real lesson to take from the work of this Commission is the need to redress for the future the problems of over classification and a systematic process for declassification, so that the costs and timeliness of declassification does not pose the same economic and regulatory burdens on future generations. At the same time, it may be too costly to declassify all of the countless classified documents now in existence.

I hope the 106th Congress will complete the work of the 105th Congress and bring government wide rationalization to the classification process. It is an area where tough Congressional oversight is long overdue.

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

S. 23. A bill to promote a new urban agenda, and for other purposes; to the Committee on Finance.

THE NEW URBAN AGENDA ACT OF 1999

Mr. SPECTER. Mr. President, I have sought recognition to introduce legislation that will deal with the plight of our nation's cities and Washington's increasing neglect of them. With 80% of the U.S. population living in metropolitan areas, there is an urgent need to improve our urban economies and the quality of life for the millions of Americans who live and work in cities. By simply making our cities an appealing place to live, work, recreate, and visit, urban areas can rebound to the vibrant economic centers they once were.

There is a common perception that urban areas are abandoned and stripped of their resources, burdened with poverty and crime. However, cities have a wealth of resources available to not only the urban dweller but to the world—cultural centers, business hubs, and some of the finest educational and medical institutions. The real problem is that we do not draw upon these riches or strive to better coordinate them to serve people, most especially those in need.

My proposal, the ''New Urban Agenda Act of 1999'' is based on legislation which I have endeavored to make law since the 103rd Congress. I am pleased to be introducing it today, in this first Congress of the new millennium, with my distinguished colleague from Illinois, Senator DURBIN, who also recognizes the potential of both small cities and large metropolitan areas.

The bill constitutes an effort to give our cities some much-needed attention, but reflects the federal budgetary constraints which govern all that we in Congress do these days. This bill, based in significant part on suggestions by Philadelphia Mayor Edward G. Rendell and the League of Cities, offers aid to the cities while containing federal expenditures and by re-instituting important cost-effective tax breaks which have been discontinued.

If we are to really address many of the very serious social issues that we face—unemployment, teenage pregnancy, welfare dependency, and other pressing issues—we cannot give up on our cities. There must be new strategies for dealing with the problems of urban America. The days of creating ''Great Society'' federal aid programs are clearly past, but that is no excuse for the national government to turn a blind eye to the problems of the cities.

Urban areas remain integral to America's greatness as centers of commerce, industry, education, health care, and culture. Yet urban areas, particularly the inner cities which tend to have a disproportionate share of our nation's poor, also have special needs which must be recognized. We must develop ways of aiding our cities that do not require either new taxes or more government bureaucracy.

As a Philadelphia resident, I have first-hand knowledge of the growing problems that plague our cities. The most recent U.S. Census data collected showed that Philadelphia has over 300,000 individuals in poverty and when federal welfare reform took effect in October 1996, 113,000 adults were receiving some form of cash assistance. Reflecting on my experience as a Philadelphian, I have long supported a variety of programs to assist our cities, such as increased funding for Community Development Block Grants and legislation to establish enterprise and

empowerment zones. To encourage similar efforts, in April, 1994, I hosted my Senate Republican colleagues on a visit to explore urban problems in my hometown. We talked with people who wanted to obtain work, but had found few opportunities. We saw a crumbling infrastructure and its impact on residents and businesses. We were reminded of the devastating effect that the loss of inner city businesses and jobs has had on our neighborhoods in America's cities. What my Republican colleagues saw then in Philadelphia is the urban rule across our country and not the exception.

There are many who do not know of city life, who are far removed from the cities and would not be expected to have any key interest in what goes on in the big cities of America. I cite my own boyhood experience illustratively: Born in Wichita, Kansas, raised in Russell, a small town of 5,000 people on the plains of Kansas, where there is not much detailed knowledge of what goes on in Philadelphia, Pennsylvania, or other big cities like Los Angeles, San Francisco, New York, Miami, Pittsburgh, Dallas, Detroit or Chicago.

Those big cities are alien to people in much of America. But there is a growing understanding that the problems of big cities contribute significantly to the general problems affecting our nation and have an economic impact, at the very least, on our small towns. For rural America to prosper, we need to make sure that urban America prospers and vice-versa. For example, if cities had more economic growth, taxes could be reduced on all Americans at the federal and state level because revenues would increase and social welfare spending would be reduced.

There is indeed a domino effect from our cities to rural communities of the country. Lately, we have been witnessing this in the violent behavior of adolescents. School violence and juvenile crime are no longer endemic to urban living. Take the Bloods and the Crips gangs from Los Angeles, California, and similar gangs; that are all over America. They are in Lancaster, Pennsylvania; Des Moines, Iowa; Portland, Oregon; Jackson, Mississippi; Racine, Wisconsin; and Martinsburg, West Virginia. They are literally everywhere, big city and small city alike.

In the U.S. Department of Housing and Urban Development's 1998 report on the ''State of the Cities,'' findings show that large urban schools still deal with a higher concentration of violence, and the data only represents crimes which were serious enough to report to the police. The School District of Philadelphia's most recent report on school violence shows that in the 1994–1995 academic year, students, teachers and administrators were the victims of 2,147 reported criminal incidents, up by almost 100% from the previous year. These included assault, robbery, rape, and students being stabbed or even shot. The school district also reported troubling news about abysmal attendance rates. On any given day, more than one in every four students are absent.

Understandably so, city residents are afraid to continue leading an urban lifestyle. Each day, small business owners question whether they should remain in the city because they fear for the safety of their children, their employees, and ultimately, their businesses. I have personally met and spoken with shop owners in the University City section of Philadelphia who tell me that they look desperately for reasons to stay, but it gets harder and harder.

Joblessness and a less skilled work force are additional problems. To facilitate economic development and job creation in the United States, I supported the Balanced Budget Act of 1995, which contained such provisions as the Job Training Partnership Act and the Targeted Job Tax Credit. As Congress put the final touches on that legislation, I circulated a joint letter from several Senators to then-Majority Leader Dole and Speaker Gingrich recommending spurring job creation and economic growth in our cities through several urban initiatives such as: a targeted capital gains exclusion, commercial revitalization tax credit, historic rehabilitation tax credit, and child care credit. Last year, I introduced the ''Job Preparation and Retention Training Act of 1998,'' which was included in the recently enacted Workforce Development Act of 1998. My legislation authorized funding for States to enroll long-term welfare dependents into a training program which would provide the necessary skills to locate and maintain gainful and unsubsidized employment.

The last census taken in 1990, reported that New York City led the way, with 1.3 million individuals in poverty. My home of Philadelphia had 313,374 individuals in poverty at that time. And in HUD's 1998 ''State of the Cities'' report, by 1996, one in every five urban families lived in poverty, compared with fewer than one in ten suburban families. These facts emphasize the need for more efforts to be focused on strengthening our inner city businesses which, in turn, will boost local economies and serve to provide more jobs, reduce poverty and, hopefully, reduce crime.

I have long supported efforts to encourage the growth of small business. During the 105th Congress, I once again introduced legislation to provide targeted tax incentives for investing in small minority- or women-owned businesses. Small businesses provide the bulk of the jobs in this country. Many minority entrepreneurs, for instance, have told me that they are dedicated to staying in the cities to employ people there, but continue to confront capital access issues. My legislation, the ''Minority and Women Capital Formation Act'' would help to remove the capital access barriers, thereby enabling these entrepreneurs to grow their businesses and payrolls.

Municipal leaders are stressing many of the same concerns that business people are voicing. In a July, 1994 National League of Cities report dealing with poverty and economic development, municipal leaders ranked inadequate skills and education of workers as one of the top three reasons, in addition to shortage of jobs and below-poverty wages, for poverty and joblessness in their cities. They said, according to the survey, that more jobs must be created through local economic development initiatives.

This ''skills deficit'' is highlighted in an urban revitalization plan prepared in 1991 by the National Urban League called ''Playing to Win: A Marshall Plan for America's Cities.'' The report cites a statistic by the Commission on Achieving Necessary Skills which showed that 60 percent of all 21–25 year-olds lack the basic reading and writing skills needed for the modern workplace, and only 10 percent of those in that age group have enough mathematical competence for today's jobs. The economic problems our cities are facing are not easy to deal with or answer. In a report by the National League of Cities entitled ''City Fiscal Conditions in 1996,'' municipal officials from 381 cities answered questions on the economic state of their cities. In response to state budgetary problems, 21.7 percent of responding cities reduced municipal employment and 18.5 percent had frozen municipal employment. Nearly six out of ten cities raised or imposed new taxes or user fees during the past twelve months.

These numbers are of concern to me and I believe they highlight the need for federal legislation to enhance the ability of cities to achieve competitive economic status. An added concern is that city managers are forced to balance cuts in services or enact higher taxes. Neither choice is easy and it often counteracts municipal efforts to retain residents or businesses.

One issue, in particular, that is hurting many cities is the erosion of their tax bases, evidenced particularly by middle-class flight to the suburbs. Mr. Ronald Walters, professor of Political Science at Howard University, in testimony before the Senate Banking Committee in April 1993, stated that in 1950, 23 percent of the American population lived outside central cities; by 1988, that number was up to 46 percent. The District of Columbia's population loss is among the worst in the nation, with a quarter of its population relocating since the 1970s. This trend of shrinking urban populations gives no sign of ceasing. Middle-class families continue

to leave for the suburbs where there are typically better public services.

These losses are devastating, not only to the financial stability of the city, but to the social fabric as well. On the financial side, statistics show that those people fleeing cities were earning an average of $30,000 to $75,000 a year. On the social side, roughly half of these are African-American Middle-class families. By losing this critical demographic group, the city loses much of what makes it strong. As America's cities struggle with the exodus of residents, businesses and industry, city residents who remain are faced with problems ranging from increased tax burdens and lesser services to dwindling economic opportunities, leading to welfare dependence and unemployment assistance. In the face of all this, what do we do?

The federal government has attempted to revitalize our ailing urban infrastructure by providing federal funding for transit and sewer systems, roads and bridges. I have supported this. For example, as a member of the Transportation Appropriations Subcommittee and as co-chair of an informal Senate Transit Coalition, I have been a strong supporter of public transit which provides critically needed transportation services in urban areas. Transit helps cities meet clean air standards, reduce traffic congestion, and allows disadvantaged persons access to jobs. Federal assistance for urban areas, however, has become increasingly scarce as we grapple with the nation's deficit and debt. Therefore, we must find alternatives to reinvigorate our nation's cities so they can once again be economically productive areas providing promising opportunities for residents and neighboring areas. To address the need for reliable transportation systems in our nation's cities and to provide access to jobs for city residents, I introduced reverse commute and jobs access legislation, which was successfully included in last year's highway and transit reauthorization bill. The bill authorizes $400 million over the next five years in access-to-jobs transit grants targeted at low-income individuals. Up to $10 million per year can be used for reverse commute projects to move individuals from cities to suburban job centers.

In addition to support for infrastructure, I believe there are ways Congress can assist the cities. In 1994, Mayor Rendell came up with a legislative package which contains many good ideas. I have taken many of these suggestions and have since added and revised provisions to take into account new developments at the federal, state and local levels to create the ''New Urban Agenda Act of 1999.''

First, recognizing that the federal government is the nation's largest purchaser of goods and services, this legislation would require that no less than 15 percent of federal government purchases are made from businesses and industries within designated urban Empowerment Zones and Enterprise Communities. Similarly, my bill would require that not less than 15 percent of foreign aid funds be redeemed through purchases of products manufactured in urban Empowerment Zones and Enterprise Communities. The General Services Administration will be required to submit to Congress its assessment of the extent to which federal agencies are committed to this policy and in general, economic revitalization in distressed urban areas.

The second major provision of this bill would commit the federal government to play an active role in restoring the economic health of our cities by encouraging the location, or relocation, of federal facilities in urban areas. To accomplish this, all federal agencies would be required to prepare and submit to the President an Urban Impact Statement detailing the impact that relocation or downsizing decisions would have on the affected city. Presidential approval would be required to place a federal facility outside an urban area, or to downsize a city-based agency.

The third critical component of this bill would revive and expand federal tax incentives that were eliminated or restricted in the Tax Reform Act of 1986. Until there is passage of legislation on the flat tax, which would provide benefits superior to all targeted tax breaks, I believe America's cities should have the advantages of such tax benefits. These provisions offer meaningful incentives to business to invest in our cities. I am calling for the restoration of the Historic Rehabilitation Tax Credit which supports inner city revitalization projects. According to information provided by Mayor Rendell, there were 8,640 construction jobs involved in 356 projects in Philadelphia from 1978 to 1985 stimulated by the Historic Rehabilitation Tax Credit. In Chicago, 302 projects prior to 1985 generated $524 million in investment and created 20,695 jobs. In St. Louis, 849 projects generated $653 million in investment and created 27,735 jobs.

Nationally, according to National Park Service estimates for the 16 years before the 1986 Act, the Historic Rehabilitation Tax Credit stimulated $16 billion in private investment for the rehabilitation of 24,656 buildings and the creation of 125,306 homes which included 23,377 low and moderate income housing units. The 1986 Tax Act dramatically reduced the pool of private investment capital available for rehabilitation projects. In Philadelphia, projects dropped from 356 to 11 by 1988 from 1985 levels. During the same period, investments dropped 46 percent in Illinois and 92 percent in St. Louis.

Another tool is to expand the authorization of commercial industrial development bonds. Under the Tax Reform Act of 1986, authorization for commercial industrial bonds was permitted to expire. Consequently, private investment in cities declined. For instance, according to Mayor Rendell, from 1986—the last year commercial development bonds were permitted—to 1987, the total number of city—supported projects in Philadelphia was reduced by more than half.

Industrial development or private activity bonds encourage private investment by allowing, under certain circumstances, tax-exempt status for projects where more than 10 percent of the bond proceeds are used for private business purposes. The availability of tax-exempt commercial industrial development bonds will encourage private investment in cities, particularly the construction of sports, convention and trade show facilities; free standing parking facilities owned and operated by the private sector; air and water pollution facilities owned and operated by the private sector; and, industrial parks.

The bill I am introducing would allow this. It would also increase the small issue exemption, which means a way to help finance private activity in the building of manufacturing facilities from $10 million to $50 million to allow increased private investment in our cities.

A minor change in the federal tax code related to arbitrage rebates on municipal bond interest earnings could also free additional capital for infrastructure and economic development by cities. Currently, municipalities are required to rebate to the federal government any arbitrage—a financial term meaning interest earned in excess of interest paid on the debt—earned from the issuance of tax-free municipal bonds. I am informed that compliance, or the cost for consultants to perform the complicated rebate calculations, is actually costing municipalities more than the actual rebate owed to the government. This bill would allow cities to keep the arbitrage earned so that they can use it to fund city projects and for other necessary purposes.

My legislation also provides important incentives for businesses to invest and locate in our nation's cities. Specifically, the bill includes a provision which I have advocated to provide a 50 percent exclusion for capital gains tax purposes for any gain resulting from targeted investments in small businesses located in urban empowerment zones, enterprise communities, or enterprise zones. I also want to note that the exclusion would extend to any venture funds that invest in those small businesses, which is critical because venture funds are often the lifeblood of a small business. This is one of the incentives I recommended to Senator Dole in December 1995 for inclusion in the Balanced Budget Act of 1995 which

was later vetoed by President Clinton. A targeted capital gains exclusion will serve as a catalyst for job creation and economic growth in our cities by encouraging additional private investment in our urban areas.

A fourth provision of this legislation provides needed reforms to regulations and the financial challenges to obtaining affordable housing. This legislation provides language to study streamlining federal housing program assistance to urban areas into a block grant form so that municipal agencies can better serve local residents. Safe, clean, and affordable housing is not widely available to most low income families. According to the National Housing Law Project, in 1996, only one in four families was eligible to receive HUD assistance, with waits of up to five years. In HUD's most recent annual report, just as many families are still struggling with the lack of affordable housing as they were when a record 5.3 million low-income renters were paying more than 50 percent of their income for rent between 1993 and 1995. This provision of the bill steers the Secretary of Housing and Urban Development to take a hard look at these conditions and determine what works and what does not work in federally-subsidized housing and to consider alternatives that will provide suitable homes for America's families.

I believe that we as a nation should work toward providing individuals and their families with more opportunities for homeownership which stabilizes a community and would especially restore our cities. Urban homeownership including middle-income homeownership lags behind the suburbs. According to the Harvard University Joint Center for Housing Studies, city residents of all income levels are less likely to own a home than suburban residents with similar incomes. I hear time and time again from families starting out that they move out to the suburbs for better schools, because central cities lack the property tax base to provide for quality schools. Homeownership is key to saving our cities, both socially and economically. A 1998 Fannie Mae national housing survey indicated that even though homeownership rates continue to increase in the late 1990s, six in every ten renters said that buying a home is a very important priority, if not their number-one priority in life. Yet for so many families financial barriers make that dream unattainable. That is why my bill includes a tax credit to restore the American dream of homeownership. A tax credit could be used by income-eligible individuals and families to purchase homes in distressed areas. In the 1997 Taxpayer Relief Act, Congress approved such a tax credit for homebuyers in the District of Columbia. While single family home sales can be attributed to a multitude of factors, such as historically low interest rates and a strong economy, let me just share with you some amazing statistics related to homeownership since enactment of the tax credit in the District of Columbia. The Home Purchase Assistance Program through the District of Columbia's Office of Housing and Community Development helped 410 families purchase homes. Further, a group called the ''Washington Partners for Homeownership,'' a collaboration of realtors, banks, community and faith-based organizations, set a goal last year to create 1,000 new homeowners in the District of Columbia for each of the next three years. Remarkably, the Washington Partners have already reached that goal before the end of the first year. I believe that this country will reap extraordinary benefits if we expand such a credit on a national basis, as I propose in the ''New Urban Agenda Act of 1999.''

I believe that the revitalization of cities will require social and economic facets, but it is also imperative that our cities are safe and clean. This last component of my bill helps urban areas to address their unique environmental challenges and reforms Superfund law. First, the legislation authorizes a federal brownfields program to help clean up idle or underused industrial and commercial facilities and waives federal liability for persons who fully comply with a state cleanup plan to clean sites in urban areas pursuant to state law, provided that the site is not listed or proposed to be listed on the National Priorities List. The Environmental Protection Agency currently operates this pilot program under general authority provided by the Superfund law.

My legislation would make this a permanent program and substantially increase the funding levels to a $50 million authorized level for Fiscal Year 2000. The EPA could expend funds to identify and examine potential idle or underused Brownfield sites and to provide grants to States and local governments of up to $200,000 per site to put them back to productive use. One such grant has been used to great success by Pittsburgh Mayor Tom Murphy, and I hope this provision will generate additional success stories of redeveloping urban brownfields.

The Brownfields Program allows sites with minor levels of toxic waste to be cleaned up by State and local governments with federal and other funding sources. Companies and individuals who are interested in developing land into industrial, commercial, recreational, or residential use are often reluctant to purchase property with any level of toxic waste because of a fear of being saddled with cleanup liability under the Superfund law. Through expanded Brownfields grants, cleanup at such sites will be expedited and will encourage redevelopment of otherwise unusable urban property.

My bill would also waive federal liability for persons who fully comply with a state cleanup plan to clean sites in urban areas pursuant to state law, providing that the site is not listed or proposed to be listed on the National Priorities List. Many states, including Pennsylvania, have developed their own toxic waste cleanup programs and have done good work to clean up many of these sites. Pennsylvania Governor Tom Ridge has developed an extensive plan, where contaminated sites are made safe based on sound science by returning the site to productive use through the development of uniform cleanup standards, by creating a set of standardized review procedures, by releasing owners and developers from liability who fully comply with the state cleanup standards and procedures, and by providing financial assistance. However, the efforts of states like Pennsylvania are often stifled because the federal government has not been willing to work with the States to release owners and developers from liability, even when they fully comply with the state plans.

This section of my bill only applies to sites that are not on the National Priorities List. These are sites that the state has identified for which the state has created a comprehensive cleanup plan. If the federal government has concerns with the cleanup procedure or the safety of the site, then the government has full authority to place that site on the National Priority List. The plans, like that developed by Governor Ridge, deal with sites not controlled by the Superfund law. By not allowing the individual states to take the initiative to clean up these sites, and by not providing a waiver for federal liability to those who fully comply with the procedures and standards of the state cleanup, the federal government impedes the efforts of the states to work to clean up their own sites. This provision takes a significant step toward encouraging states to take the responsibility for their toxic waste sites and to encourage the effective cleanup of these sites in our nation's urban areas.

The final environmental provision calls for the reauthorization of an existing federal program, which has served cities across the nation very well, but has not been authorized since 1995 and has also been unable to meet the demand for an ''urban greening effort.'' The Urban and Community Forestry Assistance Program through the U.S. Department of Agriculture provides financial and technical assistance to urban areas to help establish and maintain community parkland and forests in our nation's 45,000 towns and cities. The number of requests for federal assistance and grants exceeds the capacity of the existing Urban and Community Forestry program by eight times. The number of communities assisted through the Urban and Community Forestry Assistance Program has

grown from 7,548 in Fiscal Year 1992 to 11,675 in Fiscal Year 1997, a 56% increase in five years. An enhanced Urban and Community Forestry Program will enable cities to put vacant areas and abandoned structures back into use. There are more than 15,000 vacant lots in Pennsylvania, which as we know, pose serious health and safety risks, detract commercial investments, reduce property values, and cost municipalities hundreds of millions of dollars in maintenance and lost revenue. The Urban and Community Forestry Program has been very successful due to its flexible design and emphasis on local creativity. In fact, the program has allowed for benefits that go beyond revenue and other economic gains. Many of the formerly broken down concrete lots are now green and welcoming to the community have provided children and their parents with a safe haven for recreation outside the home. Some city public schools have even begun to use these areas as their ''science parks'' for after-school and weekend educational activities.

Mr. President, I realize that this is an initial step to reinvesting in our cities. Nevertheless, it is time to take a comprehensive approach to reversing urban decay, which is what I believe my bill can accomplish. It may well be that America has given up on its cities. That is a stark statement, but it is one which I believe may be true—that America has given up on its cities. But this Senator has not done so. And I believe there are others in this body on both sides of the aisle who have not done so and I invite the input and assistance of my colleagues in order to fashion a strong plan of action to help cities to face their pressing problems.

As one of a handful of United States Senators who lives in a big city, I understand both the problems and the promise of urban America. This legislation for our cities is good public policy. The plight of our cities must be of extreme concern to America. We can ill-afford for them to wither and die. I am committed to a new urban agenda that relies on market forces, and not a welfare state, for urban revitalization.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

NEW URBAN AGENDA ACT OF 1999—SUMMARY

TITLE I—PROMOTE URBAN ECONOMIC DEVELOPMENT

Requires a portion of federal and foreign aid purchases (not less than 15 percent) to be from businesses operating in urban zones, and commits the government to purchase recycled products from businesses operating in urban zones.

Requires an urban impact statement, with Presidential approval, that details the impact on cities of agency downsizing or relocation. Under the bill, a ''distressed urban area'' follows HUD's definition, namely any city having a population of more than 100,000.

TITLE II—TAX INCENTIVES TO STIMULATE URBAN ECONOMIC DEVELOPMENT

Expands the Historic Rehabilitation Tax Credit which was reduced in 1986. It would restore the issuance of tax-free industrial development bonds and would allow cities to keep the arbitrage earned from the issuance of tax-free municipal bonds. Currently, local governments are required to rebate to the federal government arbitrage earned from the issuance of tax-free municipal bonds, and often spend more on compliance than on the actual rebate.

To encourage businesses to invest and locate in our nation's cities, provides a 50 percent exclusion for capital gains tax purposes for any gain resulting from targeted investments in small businesses located in urban empowerment zones, enterprise communities, or enterprise zones. The exclusion also extends to any venture that invest in those small businesses.

TITLE III—COMMUNITY-BASED HOUSING DEVELOPMENT

Lifts Federal restrictions on community-based housing development.

To boost the efficiency of regional housing authorities, a study would be done to streamline current and future housing programs into ''block grants.''

Provides a tax credit to encourage the purchase and ownership of homes in distressed urban areas.

TITLE IV—RESPONSE TO URBAN ENVIRONMENTAL CHALLENGES

Reforms Superfund law to encourage industrial cleanup. Authorizes an expanded federal brownfields grant program to help clean up idle or underused industrial and commercial facilities. Also provides regulatory relief by waiving federal liability for businesses and individuals that fully comply with a state cleanup plan to clean sites in urban areas pursuant to state law, provided that the site is not listed or proposed to be listed on the National Priorities List.

Reauthorizes the Urban and Community Forestry Assistance Program to provide cities with the financial and technical assistance necessary to revitalize abandoned, heavily littered and demolished lands.

By Mr. SPECTER:

S. 24. A bill to provide improved access to health care, enhance informed individual choice regarding health care services, lower health care costs through the use of appropriate providers, improve the quality of health care, improve access to long term care, and for other purposes; to the Committee on Finance.

THE HEALTH CARE ASSURANCE ACT OF 1999

Mr. SPECTER. Mr. President, as the 106th Congress commences, those of us in the Senate and the House have a new opportunity to make a real difference in the lives of the American people. It is a chance for us to learn from the past, determine how best to respond to the challenges that are before us, and forge important alliances which will enable us to pass legislation that is important to this nation. I believe it is clear that one of our first priorities must be additional incremental reforms of our health care system.

Mr. President, there is no time to waste. Many of our nation's health care problems are getting worse, not better. In its December 1998 report, the Employee Benefit Research Institute (EBRI) analyzed the March 1998 Current Population Survey, a document generated yearly by the U.S. Census Bureau. EBRI's analysis tells us that in 1997, about 193 million working-age Americans derived their health insurance coverage as follows: approximately 64.2 percent from employer plans; 13.0 percent from Medicare and Medicaid within a total of 14.8 percent from public sources of coverage; and 6.7 percent from other private insurance. This survey also details another troubling statistic: 43.1 million Americans, or 18.3 percent of Americans aged 18–64, were uninsured. This reflects an increase of 7 percent, or 2.8 million uninsured working-age people, since 1995. Among the elderly, the outlook is a bit brighter, with only 1 percent uninsured, and 96.4 percent deriving coverage from public sources.

As I have said many times, we can fix the problems felt by this growing number of uninsured Americans without resorting to big government and without completely overhauling our current system, one that works well for most Americans—serving 81.7 percent of our non-elderly citizens. We must enact reforms that improve upon our current market-based health care system, as it is clearly the best health care system in the world.

Accordingly, today I am introducing the Health Care Assurance Act of 1999, which, if enacted, will take us further down the path of the incremental reforms started by the Health Insurance Portability and Accountability Act of 1996 (Kassebaum-Kennedy) and various health care provisions enacted during the 105th Congress. I would note that the final version of Kassebaum-Kennedy contained many elements which were in S. 18, the incremental health care reform bill I introduced when the 104th Congress began on January 4, 1995.

I would note that the bill I am introducing today is distinct from my recent efforts regarding managed care reform. During the 105th Congress, I joined a bipartisan group of Senators to introduce the Promoting Responsible Managed Care Act of 1998, a balanced proposal which would ensure that patients receive the benefits and services to which they are entitled, without compromising the savings and coordination of care that can be achieved through managed care. I look forward to working again with my colleagues to enact responsible managed care legislation.

The Health Care Assurance Act of 1999 is intended to initiate and stimulate new discussion, so we may move the health care reform debate forward. I welcome any suggestions my colleagues may have concerning how this

bill can be improved, as long as such suggestions are consistent with the incremental approach to reform that has proven to be the only way to achieve successful health care reform.

Given the importance of enacting this type of legislation, it is worth reviewing recent history which has taught us that bipartisanship is crucial in accomplishing these goals for the American people. In particular, the debate over President Clinton's Health Security Act during the 103rd Congress is replete with lessons concerning the pitfalls and obstacles that inevitably lead to legislative failure. Several times during the 103rd Congress, I spoke on the Senate floor to address what seemed to be the wisest course—to pass incremental health care reforms with which we could all agree. Unfortunately, what seemed obvious to me, based on comments and suggestions by a majority of Senators who favored a moderate approach, was not obvious at the time to the Senate's Democratic leadership.

This failure to understand the merits of an incremental approach was demonstrated during April 1993 during my attempts to offer a health care reform amendment based on the text of S. 631, an incremental reform bill I had introduced earlier in the session. This bill incorporated moderate, consensus principles in a reasonable reform package. First, I attempted to offer the bill as an amendment to legislation dealing with debt ceilings. Subsequently, I was informed that the consideration of this bill would be structured in a way that precluded my offering an amendment. Therefore, I prepared to offer my health care bill as an amendment to the fiscal year 1993 Emergency Supplemental Appropriations bill. To my dismay, Senator Mitchell, then Majority Leader, and Senator BYRD, then Chairman of the Appropriations Committee, worked together to ensure that I could not offer my amendment by keeping the Senate in a quorum call, a parliamentary tactic used to delay and obstruct. I was unable to obtain unanimous consent to end the quorum call, and thus could not proceed with my amendment.

Three years later, well after the behemoth Clinton health care reform bill was derailed, the Senate once again endured a lengthy political battle concerning the Kassebaum-Kennedy bill, which I was pleased to cosponsor. We achieved a breakthrough in August 1996, when enough Senators sensed the growing frustration of the American people to finally pass Kassebaum-Kennedy and its vital health insurance market reforms, such as increased portability of health insurance coverage. There is no question that Kassebaum-Kennedy made significant steps forward in addressing troubling issues in health care, although I recognize that there is much more to be done. The bill's incremental approach to health care reform is what allowed it to generate bipartisan, consensus support in the Senate. We knew that it did not address every single problem in the health care delivery system, but it would make life better for millions of American men, women, and children.

In retrospect, I urge my colleagues to note a most important fact—the Kassebaum-Kennedy bill was enacted only after Democrats abandoned their hopes for passing a nationalized, big government health care scheme, and Republicans abandoned their position that access to health care is not really a major problem in the United States which demands Federal action.

Perhaps the greatest recent example of the power of bipartisanship took place during the 105th Congress, with the passage of the Balanced Budget Act of 1997. This historic bipartisan agreement between Congress and the White House to balance the budget by 2002 extended the life of the vital Medicare hospital trust fund by ten years, while expanding needed benefits for seniors. The new law created a National Bipartisan Commission on the Future of Medicare to address the implications of the retirement of the Baby Boom generation, and marked the first balanced Federal budget in thirty years. This landmark accomplishment clearly would not have occurred without all members of Congress and the Administration crossing party lines, compromising, and doing what was right for the American people regardless of political affiliations.

We must realize that if we are to continue to be successful in meeting the nation's health care needs, the solutions to the system's problems must come from the political center, not from the extremes.

I have advocated health care reform in one form or another throughout my 18 years in the Senate. My strong interest in health care dates back to my first term, when I sponsored S. 811, the Health Care for Displaced Workers Act of 1983, and S. 2051, the Health Care Cost Containment Act of 1983, which would have granted a limited antitrust exemption to health insurers, permitting them to engage in certain joint activities such as acquiring or processing information, and collecting and distributing insurance claims for health care services aimed at curtailing then escalating health care costs. In 1985, I introduced the Community Based Disease Prevention and Health Promotion Projects Act of 1985, S. 1873, directed at reducing the human tragedy of low birth weight babies and infant mortality. Since 1983, I have introduced and cosponsored numerous other bills concerning health care in our country. A complete list of the 26 health care bills that I have sponsored since 1983 is included for the RECORD.

During the 102nd Congress, I pressed the Senate to take action on this issue. On July 29, 1992, I offered a health care amendment to legislation then pending on the Senate floor. This amendment included provisions from legislation introduced by Senator CHAFEE, which I cosponsored and which was previously proposed by Senators Bentsen and Durenberger. The amendment included a change from 25 percent to 100 percent deductibility for health insurance purchased by self-employed persons, and small business insurance market reforms to make health coverage more affordable for small businesses. When then-Majority Leader George Mitchell argued that the health care amendment I was proposing did not belong on that bill, I offered to withdraw the amendment if he would set a date certain to take up health care, just as product liability legislation had been placed on the calendar for September 8, 1992. The Majority Leader rejected that suggestion and the Senate did not consider comprehensive health care legislation during the balance of the 102nd Congress. My July 29, 1992 amendment was defeated on a procedural motion by a vote of 35 to 60, along party lines.

The substance of that amendment, however, was adopted later by the Senate on September 23, 1992 when it was included in an amendment to broader tax legislation (H.R. 11), offered by Senators Bentsen and Durenberger and which I cosponsored. This amendment, which included essentially the same self-employed tax deductibility and small group reforms that I had proposed on July 29th of that year, passed the Senate by voice vote. Unfortunately, these provisions were later dropped from H.R. 11 in the House-Senate conference.

On August 12, 1992, I introduced legislation entitled the Health Care Affordability and Quality Improvement Act of 1992, S. 3176, that would have enhanced informed individual choice regarding health care services by providing certain information to health care recipients, would have lowered the cost of health care through use of the most appropriate provider, and would have improved the quality of health care.

On January 21, 1993, the first day of the 103rd Congress, I introduced the Comprehensive Health Care Act of 1993, S. 18. This legislation was comprised of reforms that our health care system could have adopted immediately. These initiatives would have both improved access and affordability of insurance coverage and would have implemented systemic changes to lower the escalating cost of care in this country. S. 18 is the principal basis of the legislation I introduced in the 104th (S. 18) and 105th Congresses (S. 24), and the Health Care Assurance Act of 1999, which I am introducing today.

On March 23, 1993, I introduced the Comprehensive Access and Affordability Health Care Act of 1993, S. 631,

which was a composite of health care legislation introduced by Senators Cohen, Kassebaum, BOND, and MCCAIN, and included pieces of my bill, S. 18. I introduced this legislation in an attempt to move ahead on the consideration of health care legislation and provide a starting point for debate. As I noted earlier, I was precluded by Majority Leader Mitchell from obtaining Senate consideration of my legislation as a floor amendment on several occasions. Finally, on April 28, 1993, I offered the text of S. 631 as an amendment to the pending Department of Environment Act (S. 171) in an attempt to urge the Senate to act on health care reform. My amendment was defeated 65 to 33 on a procedural motion, but the Senate had finally been forced to contemplate action on health care reform.

On the first day of the 104th Congress, January 4, 1995, I introduced a slightly modified version of S. 18, the Health Care Assurance Act of 1995 (also S. 18), which contained provisions similar to those ultimately enacted in the Kassebaum-Kennedy legislation, including insurance market reforms, an extension of the tax deductibility of health insurance for the self employed, and deductibility of long term care insurance for employers.

I continued these efforts in the 105th Congress, with the introduction of Health Care Assurance Act of 1997 (S. 24), which included market reforms similar to my previous proposals with the addition of a new Title I, an innovative program to provide vouchers to States to cover children who lack health insurance coverage. I also introduced Title I of this legislation as a stand-alone bill, the Healthy Children's Pilot Program of 1997 (S. 435) on March 13, 1997. This proposal targeted the approximately 4.2 million children of the working poor who lacked health insurance. These are children whose parents earn too much to be eligible for Medicaid, but do not earn enough to afford private health care coverage for their families. This legislation would have established a $10 billion/5 year discretionary pilot program to cover these uninsured children by providing grants to States. Modeled after Pennsylvania's extraordinarily successful Caring and BlueCHIP programs, this legislation was the first Republican-sponsored child health insurance bill during the 105th Congress.

I was encouraged that the Balanced Budget Act of 1997, signed into law on August 5, 1997, included a combination of the best provisions from many of child health insurance proposals throughout this Congress. The new legislation allocated $24 billion for the next five years to establish State Child Health Insurance Programs, funded in part by a slight increase in the cigarette tax. The bill I am introducing today, the Health Care Assurance Act of 1999, would further augment this new State Child Health Insurance Program and would enable States to cover even more children, and includes new provisions to assist individuals with disabilities to maintain quality health care coverage.

My commitment to the issue of health care reform across all populations has been consistently evident during my tenure in the Senate, as I have taken to this floor and offered health care reform bills and amendments on countless occasions. I will continue to urge the Senate to address this vital issue and to stress the importance of the Federal government's investment in and attention to the system's future.

As my colleagues are aware, I can personally report on the miracles of modern medicine. Five years ago, an MRI detected a benign tumor (meningioma) at the outer edge of my brain. It was removed by conventional surgery, with five days of hospitalization and five more weeks of recuperation.

When a small regrowth was detected by a follow-up MRI in June 1996, it was treated with high powered radiation from the ''Gamma Knife.'' I entered the hospital in the morning of October 11, 1996, and left the same afternoon, ready to resume my regular schedule. Like the MRI, the Gamma Knife is a recent invention, coming into widespread use in the past decade.

In July 1998, I was pleased to return to the Senate after a relatively brief period of convalescence following heart bypass surgery. This experience again led me to marvel at our health care system and made me more determined than ever to support Federal funding for biomedical research and to support legislation which will incrementally make health care available to all Americans.

My concern about health care has long pre-dated my own personal benefits from the MRI and other diagnostic and curative procedures. As I have previously discussed, my concern about health care began many years ago and been intensified by my service on the Appropriations Subcommittee on Labor, Health and Human Services, and Education, which I now have the honor to chair.

My own experience as a patient has given me deeper insights into the American health care system beyond my perspective from the U.S. Senate. I have learned: (1) our health care system, the best in the world, is worth every cent we pay for it; (2) patients sometimes have to press their own cases beyond the doctors' standard advice; (3) greater flexibility must be provided on testing and treatment; (4) our system has the resources to treat the 43.1 million Americans currently uninsured, but we must find the way to pay for it; and (5) all Americans deserve the access to health care from which I and others with coverage have benefitted.

I have long been convinced that our Federal budget of $1,700,000,000,000, could provide sufficient funding for America's needs if we establish our real priorities. The real question has been whether we have enough doctors, hospitals, medical personnel, etc. to take care of Americans in need of medical attention. I am convinced that we do. The part which has yet to be accomplished is to work out the financing for the delivery of such health care. As specified in the legislation which I have introduced, I am convinced that sufficient savings are possible within the current system to provide health care for all Americans within the current expenditures.

I share the American people's frustration with government and their desire to have their problems addressed. Over the past six years, I believe we have learned a great deal about our health care system and what the American people are willing to accept from the Federal government. The message we heard loudest was that Americans did not want a massive overhaul of the health care system. Instead, our constituents want Congress to proceed more slowly and to target what isn't working in the health care system while leaving in place what is working.

As I have said both publicly and privately, I am willing to cooperate with the Administration in solving the health care problems facing our country. However, in the past I have found many important areas where I differed with President Clinton's approach to solutions and I did so because I believed that the proposals would have been deleterious to my fellow Pennsylvanians, to the American people, and to our health care system. Most important, I did not support creating a large new government bureaucracy because I believe that savings should go to health care services and not bureaucracies.

On this latter issue, I first became concerned about the potential growth in bureaucracy in September 1993 after reading the President's 239-page preliminary health care reform proposal. I was surprised by the number of new boards, agencies, and commissions, so I asked my legislative assistant, Sharon Helfant, to make me a list of all of them. Instead, she decided to make a chart. The initial chart depicted 77 new entities and 54 existing entities with new or additional responsibilities.

When the President's 1,342-page Health Security Act was transmitted to Congress on October 27, 1993, my staff reviewed it and found an increase to 105 new agencies, boards, and commissions and 47 existing departments, programs and agencies with new or expanded jobs. This chart received national attention after being used by Senator Bob Dole in his response to the President's State of the Union address on January 24, 1994.

The response to the chart was tremendous, with more than 12,000 people from across the country contacting my office for a copy; I still receive requests for the chart. Groups and associations, such as United We Stand America, the American Small Business Association, the National Federation of Republican Women, and the Christian Coalition, reprinted the chart in their publications—amounting to hundreds of thousands more in distribution. Bob Woodward of the Washington Post later stated that he thought the chart was the single biggest factor contributing to the demise of the Clinton health care plan. And, as recently as the November 1996 election, my chart was used by Senator Dole in his presidential campaign to illustrate the need for incremental health care reform as opposed to a big government solution.

With the history of the health care reform debate in mind, I have drafted an incremental bill which would provide quality health care without adversely affecting the many positive aspects of our health care system, which works for 81.7 percent of working-age Americans. It is more prudent to implement targeted reforms and then act later to improve upon what we have done. I call this trial and modification. We must be careful not to damage the positive aspects of our health care system upon which more than 193 million Americans justifiably rely.

The legislation I am introducing today has three objectives: (1) to provide affordable health insurance for the 43.1 million working-age Americans now not covered; (2) to reduce health care costs for all Americans; and (3) to improve coverage for underinsured individuals, families, and children. This legislation is comprised of initiatives that our health care system can readily adopt in order to meet these objectives, and it does not create an enormous new bureaucracy to meet them.

This bill includes provisions to encourage the formation of small group purchasing arrangements, to expand access to health insurance for children, to improve health coverage for individuals with disabilities, to strengthen preventive health benefits under the Medicare program, to increase access to prenatal care and outreach for the prevention of low birth weight babies, to facilitate the implementation of patients' rights regarding medical care at the end of life, to improve health education, to place greater emphasis on and to expand access to primary and preventive health services, to utilize non-physician providers, to reform the COBRA law to extend the time period for employees who leave their jobs to maintain their health benefits until alternative coverage becomes available, to increase the availability and use of consumer information and outcomes research, and to establish a national fund for health research within the Department of Treasury.

Taken together, I believe the reforms proposed in the Health Care Assurance Act of 1999 will both improve the quality of health care delivery and will bring down the escalating costs of health care in this country. These initiatives represent a blueprint which can be modified, improved and expanded. In total, I believe this bill can significantly reduce the number of uninsured Americans, improve the affordability of care, ensure the portability and security of coverage between jobs, and yield cost savings of billions of dollars to the Federal Government, which can be used to cover the remaining uninsured and underinsured Americans.

TITLE I

As I mentioned previously, Title I of the bill builds on the State Child Health Insurance Program (S-CHIP), the new program established in the Balanced Budget Act of 1997, which allocated $24 billion/five years to increase health insurance coverage for children. The S-CHIP program gives States the option to use federally funded grants to provide vouchers to eligible families to purchase health insurance for their children, or to expand Medicaid coverage for those uninsured children, or a combination of both. This title would increase the income eligibility to families with incomes at or below 235 percent of the Federal poverty level ($38,658 annually for a family of four), and would strengthen the States' ability to conduct Medicaid outreach to eligible children. The S-CHIP program anticipates enrolling 2.3 million uninsured children by the end of 2000. This provision would allow eligibility for approximately another 876,000 uninsured children, representing a 38 percent increase over current law.

TITLE II

Title II assists another of our Nation's most vulnerable populations, persons with disabilities. This title would expand health services for disabled individuals in two ways. Currently, disabled individuals, or recipients of Social Security Disability Income (SSDI), may receive health insurance coverage under the Medicare program for a short time after returning to work. One provision of my bill would extend to 24 months the period during which the individual may continue to receive Medicare benefits after returning to work, and allow the individual to purchase Medicare coverage at a reduced rate, subject to yearly review.

In an effort to improve the delivery of care and the comfort of those with long-term disabilities, the second provision would allow for reimbursement for community-based attendant care services, instead of institutionalization, for eligible individuals who require such services based on functional need, without regard to the individual's age or the nature of the disability. The most recent data available tell us that 5.9 million individuals receive care for disabilities under the Medicaid program. The number of disabled who are not currently enrolled in the program who would apply for this improved benefit is not easily counted, but would likely be substantial given the preference of home and community-based care over institutional care.

TITLE III

The next title contains provisions to make it easier for small businesses to buy health insurance for their workers by establishing voluntary purchasing groups. It also obligates employers to offer, but not pay for, at least two health insurance plans that protect individual freedom of choice and that meet a standard minimum benefits package. It extends COBRA benefits and coverage options to provide portability and security of affordable coverage between jobs.

Specifically, Title III extends the COBRA benefit option from 18 months to 24 months. COBRA refers to a measure which was enacted in 1985 as part of the Consolidated Omnibus Budget Reconciliation Act (COBRA '85) to allow employees who leave their job, either through a lay-off or by choice, to continue receiving their health care benefits by paying the full cost of such coverage. By extending this option, such unemployed persons will have enhanced coverage options.

In addition, options under COBRA are expanded to include plans with lower premiums and higher deductibles of either $1,000 or $3,000. This provision is incorporated from legislation introduced in the 103rd Congress by Senator PHIL GRAMM and will provide an extra cushion of coverage options for people in transition. According to Senator GRAMM, with these options, the typical monthly premium paid for a family of four would drop by as much as 20 percent when switching to a $1,000 deductible and as much as 52 percent when switching to a $3,000 deductible.

This year I have also included a provision which would extend to 36 months the time period for COBRA coverage for a child who is no longer a dependent under a parent's health insurance policy. Again, EBRI statistics indicate that young adults between the ages of 18 and 24 are more likely than any other age to be uninsured; 30.1% were without coverage in 1997. This provision would allow those who are no longer dependents on their parents' plan to have a more secure safety net.

With respect to the uninsured and underinsured, my bill would permit individuals and families to purchase guaranteed, comprehensive health coverage through purchasing groups. Health insurance plans offered through the purchasing groups would be required to meet basic, comprehensive standards with respect to benefits. Such benefits must include a variation of benefits permitted among actuarially equivalent plans to be developed

by the National Association of Insurance Commissioners. The standard plan would consist of the following services when medically necessary or appropriate: (1) medical and surgical devices; (2) medical equipment; (3) preventive services; and (4) emergency transportation in frontier areas.

My bill would also create individual health insurance purchasing groups for individuals wishing to purchase health insurance on their own. In today's market, such individuals often face a market where coverage options are not affordable. Purchasing groups will allow small businesses and individuals to buy coverage by pooling together within purchasing groups, and choose from among insurance plans that provide comprehensive benefits, with guaranteed enrollment and renewability, and equal pricing through community rating adjusted by age and family size. Community rating will assure that no one small business or individual will be singularly priced out of being able to buy comprehensive health coverage because of health status. With community rating, a small group of individuals and businesses can join together, spread the risk, and have the same purchasing power that larger companies have today.

For example, Pennsylvania has the ninth lowest rate of uninsured in the nation, with 90 percent of all Pennsylvanians enrolled in some form of health coverage. Lewin and Associates found that one of the factors enabling Pennsylvania to achieve this low rate of uninsured persons is that Pennsylvania's Blue Cross/Blue Shield plans provide guaranteed enrollment and renewability, an open enrollment period, community rating, and coverage for persons with pre-existing conditions. My legislation seeks to enact reforms to provide for more of these types of practices. The purchasing groups, as developed and administered on a local level, will provide small businesses and all individuals with affordable health coverage options.

Title III of my bill also includes an important provision to give the self employed 100 percent deductibility of their health insurance premiums. The Kassebaum-Kennedy bill extended the deductibility of health insurance for the self employed to 80 percent by 2006. The Balanced Budget Act of 1997 and the Omnibus Appropriations Act for Fiscal Year 1999 both contained new phase-in scales for health insurance deductibility for the self-employed. Currently, self-employed persons may deduct 60 percent of their health insurance costs through 2002, to be fully deductible in 2003. My bill would speed up the phase-in to allow self-employed individuals and their families to deduct 100 percent of their health insurance costs beginning in 2001, thereby giving the currently 2.9 million self-employed Americans who are uninsured a better incentive to purchase coverage.

The provisions contained in this portion of my bill are vital, as EBRI statistics tell us that 48 percent of all uninsured workers in 1997 were either self-employed or were working in private-sector firms with fewer than 25 employees. The disparity is further demonstrated by this telling statistic: 35 percent of workers in private-sector firms with fewer than 10 employees were uninsured, compared with only 12.3 percent of workers in private-sector firms with 1000 or more employees.

It is anticipated that the increased costs to employers electing to cover their employees as provided under Title III in my bill would be offset by the administrative savings generated by development of the small employer purchasing groups. Such savings have been estimated at levels as high as $9 billion annually. In addition, by addressing some of the areas within the health care system that have exacerbated costs, significant savings can be achieved and then redirected toward direct health care services.

TITLE IV

Although our existing health care system suffers from very serious structural problems, common sense steps can be taken to head off the remaining problems before they reach crisis proportions. Title IV of my bill includes initiatives which will enhance primary and preventive care services aimed at preventing disease and ill-health.

Each year about 7 percent of babies born in the United States are born with a low birth weight, multiplying their risk of death and disability. Most of the deaths which do occur are preventable. Although the infant mortality rate in the United States fell to an all-time low in 1989, an increasing percentage of babies continue to be born of low birth weight. The Executive Director of the National Commission To Prevent Infant Mortality put it this way: ''More babies are being born at risk and all we are doing is saving them with expensive technology.''

It is a human tragedy for a child to be born weighing 16 ounces with attendant problems which last a lifetime. I first saw one pound babies in 1984 when I was astounded to learn that Pittsburgh, PA had the highest infant mortality rate of African-American babies of any city in the United States. I wondered how that could be true of Pittsburgh, which has such enormous medical resources. It was an amazing thing for me to see a one pound baby, about as big as my hand. However, I am pleased to report that as a result of successful prevention initiatives, Pittsburgh's infant mortality has decreased 20% (currently 14.9 deaths per 1000 births, according to the 1997 statistics).

My legislation also focuses attention on women at-risk for delivering low birth weight babies. The Department of Health and Human Services has estimated that between $1.1 billion and $2.5 billion per year could be saved if the number of low birth weight children were reduced by 82,000 births. We know that in most instances, prenatal care is effective in preventing low birth weight babies. Numerous studies have demonstrated that low birth weight that does not have a genetic link is most often associated with inadequate prenatal care or the lack of prenatal care. The short and long-term costs of saving and caring for infants of low birth weight is staggering. In the most recent available study on the costs of low birth weight babies, the Office of Technology Assessment in 1988 concluded that $8 billion was expended in 1987 for the care of 262,000 low birth weight infants in excess of that which would have been spent on an equivalent number of babies born of normal birth weight, averted by earlier or more frequent prenatal care. If adequate prenatal care had been provided, especially to women at-risk for delivering low birth weight babies, the U.S. health care system could have saved between $14,000 and $30,000 per child in the first year in addition to the projected savings over the lifetime of each child.

To improve pregnancy outcomes for women at risk of delivering babies of low birth weight, my legislation would strengthen the Healthy Start program to reduce infant mortality and the incidence of low birth weight births, as well as to improve the health and well-being of mothers and their families, pregnant women and infants. Funds are awarded under this program with the goal of developing and coordinating effective health care and social support services for women and their babies.

I initiated action that led to the creation of the Healthy Start program in 1991, working with the Bush Administration and Senator HARKIN. As Chairman of the Appropriations Subcommittee with jurisdiction over the Department of Health and Human Services, I have worked with my colleagues to ensure the continued growth of this important program. In 1991, we allocated $25 million for the development of 15 demonstration projects. This number grew to 22 in 1994, to 75 projects in 1998, and the Health Resources and Services Administration expects this number to continue to increase. For fiscal year 1999, we secured $105 million for this vital program.

Title IV also provides increased support to local educational agencies to develop and strengthen comprehensive health education programs, and to Head Start resource centers to support health education training programs for teachers and other day care workers. Many studies indicate that poor health and social habits are carried into adulthood and often passed on to the next generation. To interrupt this tragic cycle, our nation must invest in proven preventive health education programs.

Title IV further expands the authorization of a variety of public health programs, such as breast and cervical cancer prevention, childhood immunizations, family planning, and community health centers. These existing programs are designed to improve the public health and prevent disease through primary and secondary prevention initiatives. It is essential that we invest more resources in these programs now if we are to make any substantial progress in reducing the costs of acute care in this country.

As Chairman of the Appropriations Subcommittee with jurisdiction over the Department of Health and Human Services, I have greatly encouraged the development of prevention programs which are essential to keeping people healthy and lowering the cost of health care in this country. In my view, no aspect of health care policy is more important. Accordingly, my prevention efforts have been widespread. Specifically, I joined my colleagues in efforts to ensure that funding for the Centers for Disease Control and Prevention (CDC) increased $1.6 billion or 160 percent since 1989; fiscal year 1999 funding for the CDC totals $2.6 billion. We have also worked to elevate funding for CDC's breast and cervical cancer early detection program to $159 million in fiscal year 1999, a 123 percent increase since 1993. In addition, I have supported providing funding to CDC to improve the detection and treatment of re-emerging infectious diseases.

I have also supported programs at CDC which help children. CDC's childhood immunization program seeks to eliminate preventable diseases through immunization and to ensure that at least 90 percent of 2 year olds are vaccinated. The CDC also continues to educate parents and caregivers on the importance of immunization for children under two years. Along with my colleagues on the Appropriations Committee, I have helped to ensure that funding for this important program totaled $421.5 million for fiscal year 1999. The CDC's lead poisoning prevention program annually identifies about 50,000 children with elevated blood levels and places those children under medical management. The program prevents the amount of lead in children's blood from reaching dangerous levels and is currently funded at about $38 million.

In recent years, we have also strengthened funding for Community Health Centers, which provide immunizations, health advice, and health professions training. These Centers, administered by the Health Resources and Services Administration, provide a critical primary care safety net to rural and medically underserved communities, as well as uninsured individuals, migrant workers, the homeless, residents of public housing, and Medicaid recipients. In 1996, 940 Health Centers provided comprehensive health care to 10 million children and adults across the United States. For fiscal year 1999, these Centers received $925 million, a $100 million increase over fiscal year 1998.

As Chairman of the Select Committee on Intelligence and Chairman of the Appropriations Subcommittee with jurisdiction over the Department of Health and Human Services, I have worked to transfer CIA imaging technology to the fight against breast cancer. Through the Office of Women's Health within the Department of Health and Human Services, I secured a $2 million contract in fiscal year 1996 for the University of Pennsylvania and a consortium to perform the first clinical trials testing the use of intelligence community technology for breast cancer detection. My Appropriations Subcommittee has continued to provide funds to continue the clinical trials.

I have also been a strong supporter of funding for AIDS research, education, and prevention programs. Funding for Ryan White AIDS programs has increased from $757.4 million in 1996 to $1.41 billion for fiscal year 1999. Within the fiscal year 1999 funding, $46 million was included for pediatric AIDS programs and $461 million for the AIDS Drug Assistance Program (ADAP). AIDS research at the NIH totaled $742.4 million in 1989, and has increased to $1.85 billion in fiscal year 1999. AIDS funding across the Department of Health and Human Services has steadily increased to over $3.9 billion for fiscal year 1999.

The health care community continues to recognize the importance of prevention in improving health status and reducing health care costs. In this bill, I have also included provisions which refine and strengthen preventive benefits within the Medicare program, including coverage of yearly pap smears, pelvic exams, and mammography screening for women, with no copayment or Part B deductible; and coverage of insulin pumps for certain Type I Diabetics.

The proposed expansions in preventive health services included in Title IV of my bill are conservatively projected to save approximately $2.5 billion per year or $12.5 billion over five years. However, I believe the savings will be higher. It is clearly difficult to quantify today the savings that will surely be achieved tomorrow from future generations of children that are truly educated in a range of health-related subjects including hygiene, nutrition, physical and emotional health, drug and alcohol abuse, and accident prevention and safety.

TITLE V

Title V of my bill would establish a federal standard and create uniform national forms concerning a patient's right to decline medical treatment. Nothing in my bill mandates the use of uniform forms. Rather, the purpose of this provision is to make it easier for individuals to make their own choices and determination regarding their treatment during this vulnerable and highly personal time. Studies have also indicated that advance directives do not increase health care costs. Data indicate that end-of-life costs account for 10 percent of total health expenditures and 28 percent of total Medicare expenditures. Loose projections indicate that a 10 percent savings made in the final days of life would result in approximately $10 billion of savings in medical costs per year, and about $4.7 billion in savings for Medicare alone.

However, economic considerations are not and should not be the primary reasons for using advance directives. They provide a means for patients to exercise their autonomy over end-of-life decisions. A study done at the Thomas Jefferson University Medical College in Philadelphia cited research which found that about 90 percent of the American population has expressed interest in discussing advance directives. However, even more recent studies indicate that living wills would be used by many more Americans if they were better understood. My bill would provide information on an individual's rights regarding living wills and advanced directives, and would make it easier for people to have their wishes known and honored. In my view, no one has the right to decide for anyone else what constitutes appropriate medical treatment to prolong a person's life. Encouraging the use of advance directives will ensure that patients are not needlessly and unlawfully treated against their will. No health care provider would be permitted to treat an adult contrary to the adult's wishes as outlined in an advance directive. However, in no way would the use of advance directives condone assisted suicide or any affirmative act to end human life.

TITLE VI

The next title addresses the unique barriers to coverage which exist in both rural and urban medically underserved areas. Within my State of Pennsylvania, such barriers result from a lack of health care providers in rural areas, and other problems associated with the lack of coverage for indigent populations living in inner cities. Title VI of my bill improves access to health care services for these populations by: (1) expanding Public Health Service programs and training more primary care providers to serve in such areas; (2) increasing the utilization of non-physician providers, including nurse practitioners, clinical nurse specialists and physician assistants, through direct reimbursements under the Medicare and Medicaid programs; and (3) increasing support for education and outreach.

I believe these provisions will also yield substantial savings. A study of the Canadian health system utilizing nurse practitioners projected savings of 10 to 15 percent of all medical costs. While our system is dramatically different from that of Canada, it may not be unreasonable to project annual savings of five percent, or $55 billion, from an increased number of primary care providers in our system. Again, experience will raise or lower this projection. Assuming these savings, based on an average expenditure for health care of $3,821 per person in 1995, it seems reasonable that we could cover over 10 million uninsured persons with these savings.

TITLE VII

Outcomes research, included in title VII of my bill, is another area where we can achieve considerable long term health care savings while also improving the quality of care. According to most outcomes management experts, it is estimated that about 25 to 30 percent of medical care is inappropriate or unnecessary. Dr. Marcia Angell, former editor-in-chief of the New England Journal of Medicine, also stated that 20 to 30 percent of health care procedures are either inappropriate, ineffective or unnecessary. In 1997, health care expenditures totaled $1.1 trillion annually.

A well-funded program for outcomes research is therefore essential, and is supported by Dr. C. Everett Koop, former Surgeon General of the United States. Title VII of my bill would establish such a program by imposing a one-tenth of one cent surcharge on all health insurance premiums. Based on the Health Care Financing Administration's 1995 health spending review, private health insurance premiums totaled $325.4 billion. As provided in my bill, a surcharge would generate $325.4 million for an outcomes research fund.

Title VII also authorizes the Secretary of Health and Human Services to award grants to States to establish or improve a health care data information system. Currently, 38 States have a mandate to establish such a system, and 22 States are in various stages of implementation. In my own State, the Pennsylvania Health Care Cost Containment Council has received national recognition for the work it has done to help control health care costs through the promotion of competition in the collection, analysis and distribution of uniform cost and quality data for all hospitals and physicians in the Commonwealth. Consumers, businesses, labor, insurance companies, health maintenance organizations, and hospitals have utilized this important information. Specifically, hospitals have used this information to become more competitive in the marketplace; businesses and labor have used this data to lower their health care expenditures; health plans have used this information when contracting with providers; and consumers have used this information to compare costs and outcomes of health care providers and procedures.

TITLE VIII

Nursing home care is another significant issue which must be addressed. The cost of this care is exorbitant, averaging in excess of $40,000 annually. Public expenditures on nursing home care, largely through the Medicaid program, were over $33 billion in 1995. Despite these large public expenditures, the elderly face significant uncovered liability for long term care. Title VIII of my bill therefore would provide a tax credit for premiums paid to purchase private long-term care insurance. It also proposes home and community-based care benefits as less costly alternatives to institutional care. Other tax incentives and reforms provided in my bill to make long term care insurance more affordable include: (1) allowing employees to select long-term care insurance as part of a cafeteria plan and allowing employers to deduct this expense; (2) excluding from income tax the life insurance savings used to pay for long term care; and (3) setting standards for long term care insurance that reduce the bias that currently favors institutional care over community and home-based alternatives.

TITLE IX

The final title of my bill would create a national fund for health research within the Department of the Treasury, to supplement the monies appropriated for the National Institutes of Health. To capitalize this fund, health insurance companies would be required to contribute 1 percent of all health insurance premiums received. This creative proposal was first developed by my distinguished colleagues, Senators Mark Hatfield and TOM HARKIN. Their idea is a sound one and ought to be adopted. To this end, Senator HARKIN and I introduced the National Fund for Health Research Act of 1997 (S. 441) on March 13, 1997. I look forward to continuing to work together with Senator HARKIN to enact a biomedical research fund this Congress.

While precision is again impossible, it is reasonable to project that my proposal could achieve a net annual savings of between $90 and $100 billion. I arrive at this sum by totaling the projected savings of $90 to $100 billion annually—$9 billion in small employer market reforms coupled with employer purchasing groups; $2.5 billion for preventive health services; $22 to $33 billion for reducing inappropriate care through outcomes research; $10 billion from advanced directives; $55 billion from increasing primary care providers; and $2.9 billion by reducing administrative costs and netting this against the $2.8 billion for long term care. Although these estimates are not exact, I propose this bill as a starting point to address the remaining problems with our health care system. Experience will require modification of these projections, and I am prepared to work with my colleagues to develop implementing legislation and to press for further action in the important area of health care reform.

The provisions which I have outlined today contain the framework for providing affordable health care for all Americans. I am opposed to rationing health care. I do not want rationing for myself, for my family, or for America. In my judgment, we should not scrap, but rather we should build on our current health delivery system. We do not need the overwhelming bureaucracy that President Clinton and other Democratic leaders proposed in 1993 to accomplish this. I believe we can provide care for the 43.1 million Americans who are now not covered and reduce health care costs for those who are covered within the currently growing $1.1 trillion in health care spending.

This bill is a significant next step forward in obtaining the objective of reforming our health care system, although that reform will not be achieved immediately or easily. Mr. President, the time has come for concerted action in this arena.

I urge the Congressional leadership, including the appropriate committee chairmen, to move this legislation and other health care bills forward promptly.

I ask unanimous consent that a summary of the bill and a list of the 26 health care bills I have sponsored since 1983 be printed in the RECORD.

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

26 HEALTH CARE BILLS INTRODUCED BY SENATOR ARLEN SPECTER

98th Congress 1/3/83 until 1/2/85:

(1) S. 811: The Health Care for Displaced Workers Act of 1983 (3/15/83)

(2) S. 2051: The Health Care Cost Containment Act of 1983 (11/4/83)

99th Congress 1/3/85 until 1/2/87:

(3) S. 379: The Health Care Cost Containment Act of 1985 (2/5/85)

(4) S. 1873: The Community Based Disease Prevention and Health Promotion Projects Act of 1985 (11/21/85)

100th Congress 1/3/87 until 1/2/89:

(5) S. 281: The Aid to Families and Employment Transition Act (1/6/87)

(6) S. 1871: The Pediatric Acquired Immunodeficiency Syndrome (AIDS) Resource Centers Act (11/17/87)

(7) S. 1872: The Minority Acquired Immunodeficiency Syndrome (AIDS) Awareness and Prevention Projects Act (11/17/87):

101st Congress 1/3/89 until 1/2/91

(8) S. 896: The Pediatric AIDS Resource Centers Act (5/2/89)

(9) S. 1607: Authorization of the Office of Minority Health (9/12/89):

102nd Congress 1/3/91 until 1/5/93:

(10) S. 1122: The Long-Term Care Incentives Act of 1991 (5/22/91)

(11) S. 1214: The Change in Designation of Lancaster County, PA, for Purposes of Medicare Services (6/4/91)

(12) S. 1864: The Children's Hospital of Philadelphia Medical Research Facility Act (10/23/91)

(13) S. 1995: The Health Care Access and Affordabililty Act of 1991 (11/20/91)
(14) S. 2028: The Women Veteran's Health Equity Act of 1991 (11/22/91)
(15) S. 2029: Self-Funding of Veteran's Administrative Health Care Act (11/22/91)
(16) S. 2188: Rural Veterans Health Care Facilities Act (2/5/92)
(17) S. 3176: The Health Care Affordabililty and Quality Improvement Act of 1992 (8/12/92)
(18) S. 3353: The Deferred Acquisition Cost Act (10/6/92)
103rd Congress 1/5/93 until 12/11/94:
(19) S. 18: The Comprehensive Health Care Act of 1993 (1/21/93)
(20) S. 631: The Comprehensive Access and Affordabililty Health Care (3/23/93):
104th Congress 1/4/95 until 10/3/96:
(21) S. 18: The Health Care Assurance Act of 1995 (1/4/95)
(22) S. 1716: The Adolescent Family Life and Abstinence Education Act of 1996 (4/29/96)
105th Congress 1/7/97 to 10/21/98:
(23) S. 24: The Health Care Assurance Act of 1997 (1/21/97)
(24) S. 435: The Healthy Children's Pilot Program Act of 1997 (3/13/97)
(25) S. 934: The Adolescent Family Life and Abstinence Education Act of 1997 (6/18/97)
(26) S. 999: Authorizing the Department of Veteran's Affairs to Specify the Frequency of Screening Mammograms (7/9/97)

HEALTH CARE ASSURANCE ACT OF 1999—SUMMARY

TITLE I: Expanded State Child Health Insurance Program—This title will expand upon the State Child Health Insurance Program (S–CHIP), the new program established in the Balanced Budget Act of 1997 which allocates $24 billion/five years to increase health insurance coverage for children. The S–CHIP program gives States the option to use federally funded grants to provide vouchers to eligible families to purchase health insurance for their children, or to expand Medicaid coverage for those uninsured children, or a combination of both. These grants are distributed to participating States based on the number of uninsured children residing there. This title would increase the income eligibility to families with incomes at or below 235 percent of the Federal poverty level ($38,658 annually for a family of four), and would strengthen the States' ability to conduct Medicaid outreach to eligible children.

TITLE II: Expanded Health Services for Disabled Individuals:—Extension of Medicare Eligibility for Disabled Individuals Who Return to Work: Currently, disabled individuals, or recipients of Social Security Disability Income (SSDI), may receive health insurance coverage under the Medicare program for a short time after returning to work. This provision would extend to 24 months the period during which the individual may continue to receive Medicare benefits after returning to work, and allow the individual to ''buy-into'' Medicare at a reduced rate, subject to yearly review.

Expansion of Community-Based Attendant Care Services—Medicaid currently covers the costs associated with institutional care for disabled individuals. In an effort to improve the delivery of care and the comfort of those with long-term disabilities, this section would allow for reimbursement for community-based attendant care services, instead of institutionalization, for eligible individuals who require such services based on functional need, without regard to the individual's age or the nature of the disability.

TITLE III: General Health Insurance Coverage Provisions—Tax Equity for the Self-Employed: Under current law, self-employed persons may deduct 60 percent of their health insurance costs through 2002, and those costs would be fully deductible in 2003. However, all other employees may already deduct 100 percent of such costs. Title III corrects this inequity for the self-employed, 2.9 million of whom are currently uninsured, by speeding up the phase-in to allow self-employed individuals and their families to deduct 100 percent of their health insurance costs beginning in 2001.

Small Employer and Individual Purchasing Groups: Establishes voluntary small employer and individual purchasing groups designed to provide affordable, comprehensive health coverage options for such employers, their employees, and other uninsured and underinsured individuals and families. Health plans offering coverage through such groups will: (1) provide a standard, actuarially equivalent health benefits package; (2) adjust community rated premiums by age and family size in order to spread risk and provide price equity to all; and (3) meet certain other guidelines involving marketing practices.

Standard Benefits Package: The standard package of benefits would include a variation of benefits permitted among actuarially equivalent plans developed through the National Association of Insurance Commissioners (NAIC). The standard plan will consist of the following services when medically necessary or appropriate: (1) medical and surgical services; (2) medical equipment; (3) preventive services; and (4) emergency transportation in frontier areas.

COBRA Portability Reform: For those persons who are uninsured between jobs and for insured persons who fear losing coverage should they lose their jobs, Title III reforms the existing COBRA law by: (1) extending to 24 months the minimum time period in which COBRA may cover individuals through their former employers' plan, and extending to 36 months the time period in which a child who is no longer a dependent under a parent's health insurance policy may receive COBRA coverage; (2) expanding coverage options to include plans with a lower premium and a $1,000 deductible—saving a typical family of four 20 percent in monthly premiums—and plans with a lower premium and a $3,000 deductible—saving a family of four 52 percent in monthly premiums.

TITLE IV: Primary and Preventive Care Services:

New Medicare Preventive Care Services: The health care community continues to recognize the importance of prevention in improving health status and reducing health care costs. This provision institutes new preventive benefits within the Medicare program, and refines and strengthens existing ones. Under this provision, Medicare would cover yearly pap smears, pelvic exams, and mammography screening for women, with no copayment or Part B deductible; and cover insulin pumps for certain Type I Diabetics.

Primary Health and Education Assistance Programs: The Department of Health and Human Service administers many programs designed to increase access to primary and preventive care. This provision provides increased authorization for several existing preventive health programs such as breast and cervical cancer prevention, Healthy Start project grants aimed at reducing infant mortality and low weight births and to improve the health and well-being of mothers and their families, pregnant women and infants, and childhood immunizations. This section also authorizes a new grant program for local education agencies and pre-school programs to provide comprehensive health education, and reauthorizes the Adolescent Family Life (AFL) program (Title XX) for the first time since 1984. The AFL program provides funding for initiatives focusing directly on abstinence education.

TITLE V: Patient's Right to Decline Medical Treatment: Improves the effectiveness and portability of advance directives by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination.

TITLE VI: Primary and Preventive Care Providers: Encourages use of non-physician providers such as nurse practitioners, physician assistants, and clinical nurse specialists by increasing direct reimbursement under Medicare and Medicaid without regard to the setting where services are provided. Title VI also seeks to encourage students early on in their medical training to pursue a career in primary care and it provides assistance to medical training programs to recruit such students.

TITLE VII: Cost Containment:

Outcomes Research: Expands funding for outcomes research necessary for the development of medical practice guidelines and increasing consumers' access to information in order to reduce the delivery of unnecessary and overpriced care.

New Drug Clinical Trials Program: Authorizes a program at the National Institutes of Health to expand support for clinical trials on promising new drugs and disease treatments with priority given to the most costly diseases impacting the greatest number of people.

Health Care Cost Containment and Quality Information Project: Authorizes the Secretary of Health and Human Services to award grants to States to establish a health care cost and quality information system or to improve an existing system. Currently, 38 States have State mandates to establish an information system, approximately 22 States of which have information systems in various stages of operation. Information such as hospital charge data and patient procedure outcomes data, which the State agency or council collects is used by businesses, labor, health maintenance organizations, hospitals, researchers, consumers, States, etc. Such data has enabled hospitals to become more competitive, businesses to save health care dollars, and consumers to make informed choices regarding their care.

TITLE VIII: Tax Incentives for Purchase of Qualified Long-Term Care Insurance: Increases access to long-term care by: (1) establishing a tax credit for amounts paid toward long-term care services of family members; (2) excluding life insurance savings used to pay for long-term care from income tax; (3) allowing employees to select long-term care insurance as part of a cafeteria plan and allowing employers to deduct this expense; (4) setting standards that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

TITLE IX: National Fund for Health Research: Authorizes the establishment of a National Fund for Health Research to supplement biomedical research through the contributions of 1% of premiums collected by health insurers. Funds will be distributed to the National Institutes of Health's member institutes and centers in the same proportion as the amount of appropriations they receive for the fiscal year.

By Ms. LANDRIEU (for herself, Mr. MURKOWSKI, Mr. BREAUX,

Mr. SESSIONS, Mr. JOHNSON, Mr. LOTT, Mr. CLELAND, Mr. GREGG, Ms. MIKULSKI, and Mr. COCHRAN):

S. 25. A bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes; to the Committee on Energy and Natural Resources.

CONSERVATION AND REINVESTMENT ACT OF 1999

Ms. LANDRIEU. Mr. President, I rise today with great enthusiasm and pride to introduce a very important piece of legislation. I worked with my colleagues on the Senate Energy and Natural Resources Committee, as well as with other members for over a year before introducing this legislation during the 105th Congress. Now, on this first date of introductions in the 106th Congress, I am reintroducing that legislation with a broad array of cosponsors. We have worked hard to arrive at this long awaited and anticipated point to introduce a bipartisan piece of legislation that may well be the most significant environmental effort of the century. I am pleased to be joined by my colleagues, Senators MURKOWSKI, LOTT, BREAUX, SESSIONS, CLELAND, JOHNSON, GREGG, COCHRAN and MIKULSKI.

The Conservation and Reinvestment Act of 1999 will go farther than any legislation to date to make good on promises that were made to the people of this country decades ago. In addition, it will begin to right a wrong endured by oil and gas producing states for over 50 years, particularly for the states along the Gulf of Mexico, and my state of Louisiana.

The Conservation and Reinvestment Act first provides a guaranteed source of funding equal to twenty-seven percent of all Outer Continental Shelf revenues for Coastal Impact Assistance to states to offset the impacts of offshore oil and gas activity, as well as to nonproducing states for environmental purposes. This funding goes directly to States and local governments for improvements in air and water quality, fish and wildlife habitat, wetlands, or other coastal resources, including shoreline protection and coastal restoration. These revenues to coastal states will help offset a range of costs unique to maintaining a coastal zone for specific enumerated uses. The formula is based on population, coastline and proximity to production.

Second, the bill provides a permanent stream of revenue for the State and Federal sides of the Land and Water Conservation Fund, as well as for the Urban Parks and Recreation Recovery Program. Under the bill, funding to the LWCF becomes automatic at sixteen percent of annual revenues. Receiving just under half this amount, the state side of LWCF will provide funds to state and local governments for land acquisition, urban conservation and recreation projects, all under the discretion of state and local authorities. Since its enactment in 1965, the LWCF state grant program has funded more than 37,000 park and recreation projects throughout the nation, including in Louisiana the Joe Brown Park Development in New Orleans, the Baton Rouge Animal Exhibit, the Veterans Memorial Park in Point Barre and the Northwestern State University Recreation Complex in Natchitoches. The Urban Parks program would enable cities and towns to focus on the needs of its populations within our more densely inhabited areas with fewer greenspaces, playgrounds and soccer fields for our youth. Stable funding, not subject to appropriations, will provide greater revenue certainty to state and local planning authorities.

A stable baseline will be established for Federal land acquisition through the LWCF at a level higher than the historical average over the past decade. Federal LWCF will receive just under half of the amount in this title of the bill. And, nothing in this bill will preclude additional Federal LWCF funds to be sought through the annual appropriations process. Some very worthy national projects that have received funding in the past include the Atchafalaya National Wildlife Refuge in Louisiana, the Mississippi Sandhill Crane Wildlife Refuge, the Cape Cod National Seashore, Voyageurs National Park in Minnesota and the Sterling Forest in New Jersey. Federal LWCF dollars will be used for land acquisition in areas which have been and will be authorized by Congress. Property will be acquired on a willing seller basis. The bill will restore Congressional intent with respect to the LWCF, the goal of which is to share a significant portion of revenues from offshore development with the states to provide for protection and public use of the natural environment.

Finally, the wildlife conservation and restoration provision include guaranteed funding of seven percent of annual OCS revenues for wildlife habitat protection, conservation education and delisting of endangered species. Moreover, this funding may be used by states for habitat preservation and land acquisition of wintering habitat for important species, therefore preventing listings under the Endangered Species Act.

There is an incredible groundswell of support for this legislation that is growing. Just a few days ago, in recognition of the efforts undertaken here in Congress in both the House and the Senate, our Nation's President unveiled the Lands Legacy Initiative, which mirrors a number of provisions in the bills introduced here in Congress. I want to acknowledge this praiseworthy effort by the President. Such a development goes even further to emphasize the importance of this bipartisan, bicameral inititative—it is the will of the people. During last November's elections, many states enacted bond initiatives totaling almost $700 million that overwhelmingly demonstrate the value that the public places on green space and recreational opportunities. It is our duty to support those efforts for the benefit of future generations by reinvesting in our renewable resources. It is the right thing to do.

While I am proud of the accomplishments represented by the introduction of this bill, I feel compelled to mention other interests that are not included in the legislation, but for which I maintain a strong level of support and commitment. The National Historic Preservation fund is an important authorized use for Outer Continental Shelf revenues. In fact, I introduced legislation last Congress to reauthorize the fund for its continued viability and vitality. In addition, I would like to work with proponents of historic preservation over the course of the 106th Congress to see their needs addressed in the future. This would include similar consideration for Historic Battlefield Preservation.

I see the Conservation and Reinvestment Act as a starting point for debate and consideration of additional issues. My cosponsors and I have made some changes to the legislation to reflect the concerns and desires of interested groups. As we move forward on this measure, in the hearing and committee consideration process, I also wish to work with other Members and groups. Indeed, this is a measure that should enjoy broad support, and I want to continue to work toward that end.

All three portions of the Conservation and Reinvestment Act of 1999 will effectively free up State resources which in turn may then be used for other pressing local needs. The Conservation and Reinvestment Act is a perfect opportunity to reinvest in our nation's renewable resources for our children's future and our grandchildren's future. It is an idea whose time has come. I urge my colleagues to carefully consider this proposal.

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

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

S. 25

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 ''Conservation and Reinvestment Act of 1999''.

TITLE I—COASTAL IMPACT ASSISTANCE

SECTION 101. SHORT TITLE.

This title may be cited as the ''Coastal Conservation and Impact Assistance Act of 1998''.

SEC. 102. AMENDMENT TO OUTER CONTINENTAL SHELF LANDS ACT.

The Outer Continental Shelf Lands Act Amendments of 1978 (92 Stat. 629), as amended, is amended to add at the end thereof a new Title VII as follows:

''SEC. 701. FINDINGS.

''The Congress finds and declares that—

''(1) The Nation owns valuable mineral resources that are located both onshore and in the Federal Outer Continental Shelf, and the Federal Government develops these resources for the benefit of the Nation, under certain restrictions designed to prevent environmental damage and other adverse impacts.

''(2) Nonetheless, the development of these mineral resources for the Nation is accompanied by unavoidable environmental impacts and public service impacts in the States that host this development, whether the development occurs onshore or on the Federal Outer Continental Shelf.

''(3) The Federal Government has a responsibility to the States affected by development of Federal mineral resources to mitigate adverse environmental and public service impacts incurred due to that development.

''(4) The Federal Government discharges its responsibility to States where onshore Federal mineral development occurs by sharing 50 percent of the revenue derived from the Federal mineral development in that State pursuant to section 35 of the Mineral Leasing Act.

''(5) Federal mineral development is occurring as far as 200 miles offshore and occurs off the coasts of only 6 States, yet section 8(g) of the Outer Continental Shelf Lands Act does not adequately compensate these States for onshore impacts of the offshore Federal mineral development.

''(6) Federal Outer Continental Shelf mineral development is an important and secure source of our Nation's supply of oil and natural gas.

''(7) Further technological advancements in oil and natural gas exploration and production need to be pursued and encouraged.

''(8) These technological achievements have and will continue to result in new Outer Continental Shelf production having an unparalleled record of excellence on environmental safety issues.

''(9) Additional technological advances with appropriate incentives will further improve new resource recovery and therefore increase revenues to the Treasury for the benefit of all Americans who enjoy programs funded by Outer Continental Shelf moneys.

''(10) The Outer Continental Shelf Advisory Committee of the Department of the Interior, consisting of representatives of coastal States, recommended in October 1997 that Federal mineral revenue derived from the entire Outer Continental Shelf be shared with all coastal States and territories to mitigate onshore impacts from Federal offshore mineral development and for other environmental mitigation; and

''(11) The Nation's Federal mineral resources are a nonrenewable, capital asset of the Nation, with the production and sale of this resource producing revenue for the Nation, a portion of the revenue derived from the production and sale of Federal mineral resources should be reinvested in the Nation through environmental mitigation and public service improvements;

''(12) Nothing in this Title shall be interpreted to repeal or modify any existing moratorium on leasing Federal OCS leases for drilling nor shall anything in this Title be interpreted as an incentive to encourage the development of Federal OCS resources where such resources currently are not being developed.

''SEC. 702. DEFINITIONS.

''For purposes of this Act:

''(1) The term 'allocable share' means, for a coastal State, that portion of revenue that is available to be distributed to that coastal State under this title. For an eligible political subdivision of a coastal State, such term means that portion of revenue that is available to be distributed to that political subdivision under this title.

''(2) The term 'coastal population' means the population of political subdivisions, as determined by the most recent official data of the Census Bureau, contained in whole or in part within the designated coastal boundary of a State as defined in a State's coastal zone management program under the Coast Zone Management Act (16 U.S.C. §1455).

''(3) The term 'coastline' has the same meaning that it has in the Submerged Lands Act (43 U.S.C. §1301 et seq.).

''(4) The term 'eligible political subdivision' means a coastal political subdivision of a coastal State which political subdivision has a seaward boundary that lies within a distance of 200 miles from the geographic center of any leased tract. The Secretary shall annually provide a list of all eligible political subdivisions of each coastal State to the Governor of such State.

''(5) The term 'political subdivision' means the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs. If State law recognizes an entity of general government that functions in lieu of, and is not within, a county, parish, or borough, the Secretary may recognize an area under the jurisdiction of such other entities of general government as a political subdivision for purposes of this Act.

''(6) The term 'coastal State' means any State of the United States bordering on the Atlantic Ocean, the Pacific Ocean, the Arctic Ocean, the Bering Sea, the Gulf of Mexico, or any of the Great Lakes, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

''(7) The term 'distance' means minimum great circle distance, measured in statute miles.

''(8) The term 'fiscal year' means the Federal Government's accounting period which begins on October 1st and ends on September 30th, and is designated by the calendar year in which it ends.

''(9) The term 'Governor' means the highest elected official of a coastal State.

''(10) The term 'leased tract' means a tract, leased under section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. §1337) for the purpose of drilling for, developing and producing oil and natural gas resources, which is a unit consisting of either a block, a portion of a block, a combination of blocks and/or portions of blocks, as specified in the lease, and as depicted on an Outer Continental Shelf Official Protraction Diagram.

''(11) The term 'revenues' means all moneys received by the United States as bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-payment interest from natural gas and oil leases issued pursuant to the Outer Continental Shelf Lands Act.

''(12) The term 'Outer Continental Shelf' means all submerged lands lying seaward and outside of the area of 'lands beneath navigable waters' as defined in section 2(a) of the Submerged Lands Act (43 U.S.C. §1301(a)), and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control.

''(13) The term 'Secretary' means the Secretary of the Interior or the Secretary's designee.

''SEC. 703. IMPACT ASSISTANCE FORMULA AND PAYMENTS.

''(a) ESTABLISHMENT OF FUND.—(1) There is established in the Treasury of the United States a fund which shall be known as the 'Outer Continent Shelf Impact Assistance Fund' (referred to in this Act as 'the Fund'). The Secretary shall deposit in the Fund 27 percent of the revenues from each leased tract or portion of a leased tract lying seaward of the zone defined and governed by section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. §1337(g)), or lying within such zone but to which section 8(g) does not apply, the geographic center of which lies within a distance of 200 miles from any part of the coastline or any coastal State.

''(2) The Secretary of the Treasury shall invest moneys in the Fund that are excess to expenditures at the written request of the Secretary, in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

''(b) PAYMENT OF STATES.—Notwithstanding section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. §1338), the Secretary shall, without further appropriation, make payments in each fiscal year to coastal States and to eligible political subdivisions equal to the amount deposited in the Fund for the prior fiscal year, together with the portion of interest earned from investment of the funds which corresponds to that amount (reduced by any refunds paid under section 705(c)). Such payments shall be allocated among the coastal States and eligible political subdivisions as provided in this section.

''(c) DETERMINATION OF STATES' ALLOCABLE SHARES.—

''(1) ALLOCABLE SHARE FOR EACH STATE.—For each coastal State, the Secretary shall determine the State's allocable share of the total amount of the revenues deposited in the Fund for each fiscal year using the following weighted formula:

''(A) 25 percent to the States's allocable share shall be based on the ratio of such State's shoreline miles to the shoreline miles of all coastal States.

''(B) 25 percent to the States's allocable share shall be based on the ratio of such State's coastal population to the coastal population of all coastal States.

''(C) 50 percent of the State's allocable share shall be computed based upon Outer Continental Shelf production. If any portion of a coastal State lies within a distance of 200 miles from the geographic center of any leased tract, such State shall receive 50 percent of its allocable share based on the Outer Continental Shelf oil and gas production offshore of such State. Such part of its allocable share shall be inversely proportional to the distance between the nearest point on the coastline of such State and the geographic center of each leased tract or portion of the leased tract (to the nearest whole mile), as determined by the Secretary.

''(2) MINIMUM STATE SHARE.—

''(A) IN GENERAL.—The allocable share of revenues determined by the Secretary under this subsection for each coastal State with an approved coastal management program (as defined by the Coastal Zone Management Act (16 U.S.C. §1451)) or which is making satisfactory progress toward one shall not be less than 0.50 percent of the total amount of the revenues deposited in the Fund for each fiscal year. For any other coastal State the allocable share of such revenues shall not be less than 0.25 percent of such revenues.

''(B) RECOMPUTATION.—Where one or more coastal States' allocable shares, as computed under paragraph (1), are increased by any amount under this paragraph, the allocable share for all other coastal States shall be recomputed and reduced by the same amount so that not more than 100 percent of the amount deposited in the fund is allocated to all coastal States. The reduction shall be divided pro rata among such other coastal States.

''(3) ADJUSTMENT FOR PRODUCING STATES.—

''(A) DEFINITIONS.—In this paragraph:

''(i) NONPRODUCING STATE.—The term 'nonproducing State' means a State other than a producing State.

''(ii) PRODUCING STATE.—The term 'producing State' means a State off the coast of which any leased tract or tract in State water produced oil, condensate, or natural gas during fiscal year 1998 that, during that fiscal year, was transported by pipeline to a processing facility in the State.

''(iii) TRACT IN STATE WATER.—The term 'tract in State water' means a tract on land beneath navigable water described in section 2(a)(2) of the Submerged Lands Act (43 U.S.C. 1301(a)(2)).

''(B) ADJUSTMENT.—For any fiscal year, if the application of paragraphs (1) and (2) would result in an allocable share for any nonproducing State that is greater than the allocable share for any producing State—

''(i) the amount of the allocable share for each such producing State shall be increased to the amount of the highest allocable share for any such nonproducing State; and

''(ii) the amount of the allocable shares for States and other than States receiving increases under paragraph (2) shall be reduced in the amount of the increase under clause (i) in the proportion that the allocable share for each such other State after application of paragraphs (1) and (2) bears to the total amount allocated to all States under paragraphs (1) and (2).

''(d) PAYMENTS TO STATES AND POLITICAL SUBDIVISIONS.—Each coastal State's allocable share shall be divided between the State and political subdivisions in that State as follows:

''(1) 40 percent of each State's allocable share, as determined under subsection (c), shall be paid to the State;

''(2) 40 percent of each State's allocable share, as determined under subsection (c), shall be paid to the eligible political subdivisions in such State, with the funds to be allocated among the eligible political subdivisions using the following weighted formula:

''(A) 50 percent of an eligible political subdivision's allocable share shall be based on the ratio of that eligible political subdivision's acreage within the State's coastal zone, as defined in an approved State coastal management program (as defined by the Coastal Zone Management Act (16 U.S.C. §1451)), to the entire acreage within the coastal zone in such State; *Provided*, however, That if the State in which the eligible political subdivision is located does not have an approved coastal management program, then the allocable share shall be based on the ratio of that eligible political subdivision's shoreline miles to the total shoreline miles in that coastal State.

''(B) 25 percent of an eligible political subdivision's allocable share shall be based on the ratio of such eligible political subdivision's coastal population to the coastal population of all eligible political subdivisions in that State.

''(C) 25 percent of an eligible political subdivision's allocable share shall be based on ratios that are inversely proportional to the distance between the nearest point on the seaward boundary of each such eligible political subdivision and the geographic center of each leased tract or portion of the leased tract (to the nearest whole mile), as determined by the Secretary.

''(3) 20 percent of each State's allocable share, as determined under subsection (c), shall be allocated to political subdivisions in the coastal State that do not qualify as eligible political subdivisions but which are determined by the Governor or the Secretary to have impacts from Outer Continental Shelf related activities and which have an approved plan under this subsection.

''(4) PROJECT SUBMISSION.—Prior to the receipt of funds pursuant to this subsection for any fiscal year, a political subdivision must submit to the Governor of the State in which it is located a plan setting forth the projects and activities for which the political subdivision proposes to expend such funds. Such plan shall state the amounts proposed to be expended for each project or activity during the upcoming fiscal year.

''(5) PROJECT APPROVAL.—(A) Prior to the payment of funds pursuant to this subsection to any political subdivision for any fiscal year, the Governor must approve the plan submitted by the political subdivision pursuant to this subsection and notify the Secretary of such approval. State approval of any such plan shall be consistent with all applicable State and Federal law. In the event the Governor disapproves any such plan, the funds that would otherwise be paid to the political subdivision shall be placed in escrow by the Secretary pending modification and approval of such plan, at which time such funds together with interest thereon shall be paid to the political subdivision.

''(B) A political subdivision that fails to receive approval from the Governor for a plan may appeal to the Secretary and the Secretary may approve or disapprove such plan based on the criteria set forth in section 704; *Provided*, however, That the Secretary shall have no authority to consider an appeal of a political subdivision if the Governor of the State has certified in writing to the Secretary that the State has adopted a State program that by its express terms addresses the allocation of revenues to political subdivisions.

''(e) TIME OF PAYMENT.—(1) Payments to coastal States and political subdivisions under this section shall be made not later than December 31 of each year from revenues received and interest earned thereon during the immediately preceding fiscal year. Payment shall not commence before the date 12 months following the date of enactment of this Act.

''(2) Any amount in the Fund not paid to coastal States and political subdivisions under this section in any fiscal year shall be disposed of according to the law otherwise applicable to revenues from leases on the Outer Continental Shelf.

''SEC. 704. USES OF FUNDS.

''(a) AUTHORIZED USES OF FUNDS.—Funds received pursuant to this Act may be used by the coastal States and political subdivisions for

''(1) air quality, water quality, fish and wildlife, wetlands, outdoor recreation programs, or other coastal resources, including shoreline protection and coastal restoration;

''(2) other activities of such State or political subdivision, contemplated by the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.), the provisions of subtitle B of title IV of the Oil Pollution Act of 1990 (104 Stat. 523), or the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.);

''(3) planning assistance and administrative costs of complying with the provisions of this subtitle;

''(4) uses related to the Outer Continental Shelf Lands Act;

''(5) mitigating impacts of Outer Continental Shelf activities, including onshore infrastructure and public service needs; and

''(6) deposit in a state or political subdivision administered trust fund dedicated to uses consistent with this section.

''(b) COMPLIANCE WITH APPLICABLE LAWS.—All projects and activities paid for by the moneys received from the Fund shall comply with the state Coastal Zone Management Plan and all applicable Federal, state and local environmental laws and regulations.''

''SEC. 705. STATE PLANS: CERTIFICATION; ANNUAL REPORT; REFUNDS.

''(a) STATE PLANS.—Within one year after the date of enactment of this Act, the Governor of every state eligible to receive moneys from the Fund shall develop a state plan for the use of such moneys and shall certify the plan to the Secretary. The plan shall be developed with public participation and shall include the plan for the use of such funds by every political subdivision of the state eligible to receive moneys from the Fund. The Governor shall certify to the Secretary that the plan was developed with public participation and in accordance with all applicable state laws. The Governor shall amend the plan, as necessary, with public participation, but not less then every five years.

''(b) CERTIFICATION.—Not later than 60 days after the end of the fiscal year, any political subdivision receiving moneys from the Fund must certify to the Governor—

''(1) the amount of such funds expended by the political subdivision during the previous fiscal year;

''(2) the amounts expended on each project or activity;

''(3) a general description of how the funds were expended; and

''(4) the status of each project or activity, including a certification that the project or activity is consistent with the state plan development under paragraph (a).

''(c) REPORT.—On June 15 of each year, the Governor of each State receiving moneys from the Fund shall account for all moneys so received for the previous fiscal year in a written report to the Secretary and the Congress. This report shall include a description of all projects and activities receiving funds under this Act, including all information required under subsection (a).

''(d) REFUNDS.—In those instances where through judicial decision, administrative review, arbitration, or other means there are royalty refunds owed to entities generating revenues under this Act, 27 percent of such refunds shall be paid from amounts available in the Fund.''

TITLE II—LAND AND WATER CONSERVATION FUND PROGRAM

SECTION. 201. SHORT TITLE.

This title may be cited as the ''Land and Water Conservation Fund Reform Act of 1998''.

SEC. 202. FINDINGS AND PURPOSE.

''(a) FINDINGS.—The Congress finds the following:

''(1) The Land and Water Conservation Fund Act of 1965 embodied a visionary concept—that a portion of the proceeds from Outer Continental Shelf mineral leading revenues and the depletion of a nonrenewable natural resource should result in a legacy of public places accessible for public recreation and benefit from resources belonging to all people, of all generations, and the enhancement of the most precious and most renewable natural resource of any nation, healthy and active citizens.

(2) The States and local governments were to occupy a pivotal role in accomplishing the purposes of the Land Water Conservation Fund Act of 1965 and the Act originally provided an equitable portion of funds to the States, and through them, to local governments.

(3) However, because of competition for limited Federal moneys and the need for an annual appropriation, this original intention has been abandoned and, in recent years, the States have not received an equitable proportion of funds.

(4) Nonetheless, with population growth and urban sprawl, the demand for recreation and conservation areas, at the State and local level, including urban localities, remains a high priority for our citizens.

(5) In addition to the demand at the State and local level, there has been an increasing unmet need for Federal moneys to be made available for Federal purposes, with lands identified as important for Federal acquisition not being acquired for several years due to insufficient funds.

(6) A new vision is called for—a vision that encompasses a multilevel; national network of parks, recreation and conservation areas that reaches across the country to touch all communities. National parks are not enough; the federal government alone cannot accomplish this. A national vision, backed by realistic national funding support, to stimulate State, local and private sector, as well as Federal efforts, is the only way to effectively address our ongoing outdoor recreation and conservation needs.

(b) PURPOSE.—The purpose of this title is to provide a secure source of funds available for Federal purposes authorized by the Land and Water Conservation Fund Act of 1965 and to revitalize and complement State, local and private commitments envisioned in the Land and Water Conservation Fund Act of 1965 and the Urban Park and Recreation Recovery Act of 1978 by providing grants for State, local and urban recreation and conservation needs.

SEC. 203. LAND AND WATER CONSERVATION FUND AMENDMENTS.

(a) REVENUES.—Section 2(c)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601–5(c)(1)) is amended as follows:

(1) By inserting ''(A)'' after ''(c)(1)''.

(2) By striking ''there are authorized'' and all that follows and inserting ''from 16 percent of the revenues, as that term is defined in the Conservation and Reinvestment Act of 1999, shall be deposited in the Land and Water Conservation Fund in the Treasury and shall be available, without further appropriation, to carry out this Act for each fiscal year thereafter through September 30, 2015.''

(3) By adding at the end the following new subparagraph:

''(B) In those instances where through judicial decision, administrative review, arbitration, or other means there are royalty refunds owed to entities generating revenues available for purposes of this Act, 16 percent of such refunds shall be paid from amounts available under this subsection.''.

(b) AUTHORIZATION.—Section 2(c)(2) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601–5(c)(2)) is amended by striking ''equivalent amounts provided in clause (1)'' and inserting ''$900,000,000''.

(c) APPROPRIATION.—Section 3 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601–6) is amended by striking ''Moneys'' and inserting ''Except as provided under section 4601–5(c)(1), moneys''.

(d) ALLOCATION OF FUNDS.—Section 5 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601–7) is amended as follows:

(1) by inserting ''(a)'' at the beginning:

(2) by striking ''Those appropriations from the fund'' and all that follows; and

(3) by adding at the end the following new subsection:

''(b) Moneys credited to the fund under section 2(c)(1) of this Act (16 U.S.C. §4601–5(c)(1)) for obligation or expenditure may be obligated or expended only as follows—

''(1) 45 percent shall be available for Federal purposes. Notwithstanding section 7 of this Act (16 U.S.C. §4601–9), 25 percent of such moneys shall be made available to the Secretary of Agriculture for the acquisition of lands, waters, or interests in land or water within the exterior boundaries of areas of the National Forest System or any other land management unit established by an Act of Congress and managed by the Secretary of Agriculture and 75 percent of such moneys shall be available to the Secretary of the Interior for the acquisition of lands, waters, or interests in land or water within the exterior boundaries of areas of the National Park System, National Wildlife Refuge System, or other land management unit established by an Act of Congress; *Provided*, that at least two-thirds of the moneys available under this paragraph for Federal purposes shall be spent east of the 100th meridian; *Provided further*, no moneys available under this paragraph for Federal purposes shall be used for condemnation of any interest of property.

''(2) 45 percent shall be available for financial assistance to the States under section 6 of this Act (16 U.S.C. §4601–8) distributed according to the following allocation formula;

''(A) 60 percent shall be apportioned equally among the several States;

''(B) 20 percent shall be apportioned on the basis of the ratio which the population of each State bears to the total population of the United States;

''(C) 20 percent shall be apportioned on the basis of the urban population in each State (as defined by Metropolitan Statistical Areas).

''(3) 10 percent shall be available to local governments through the Urban Parks and Recreation Recovery Program (16 U.S.C. §§2501–2514) of the Department of the Interior.''.

''An amount, not to exceed 2 percent, of the total of such moneys covered to the fund under section 2(c)(1) of this Act (16 U.S.C. §4601–5(c)(1)) in each fiscal year as the Secretary of the Interior may estimate to be necessary for expenses in the administration and execution of this subsection shall be deducted for that purpose, and such amount is authorized to be made available therefor until the expiration of the next succeeding fiscal year. Within 60 days after the close of such fiscal year, the Secretary shall apportion any portion thereof as remains unexpended, if any, on the same basis and in the same manner as is provided under paragraphs (1), (2) and (3).

(e) REHABILITATION.—Subsection 6(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601–8(a)) is amended by deleting ''(3) development.'' and inserting in lieu thereof ''(3) development, including the facility rehabilitation.''

(f) Tribes and Alaska Native Village Corporations.—Subsection 6(b)(5) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601–8(b)(5)) is amended as follows:

(1) By inserting ''(A)'' after ''(5)''.

(2) By adding at the end the following new subparagraph:

''(B) For the purposes of paragraph (1), all federally recognized Indian tribes and Alaska Native Village Corporations (as defined in section 3(j) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(j)) shall be treated collectively as 1 State, and shall receive shares of the apportionment under paragraph (1) in accordance with a competitive grant program established by the Secretary by rule. Such rule shall ensure that in each fiscal year no single tribe or Village Corporation receives more than 10 percent of the total amount made available to all tribes and Village Corporations pursuant to the apportionment under paragraph (1). Funds received by an Indian tribe or Village Corporation under this subparagraph may be expended only for the purposes specified in paragraphs (1) and (3) of subsection (b).''

''(g) LOCAL ALLOCATION.—Subsection 6(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(b)(5)) is amended by adding at the end the following new paragraph:

''(6) Absent some compelling and annually documented reason to the contrary acceptable to the Secretary, each State (other than an area treated as a State under paragraph (5)) shall make available as grants to local governments at least 50 percent of the annual State apportionment, or an equivalent amount made available from other sources.''

''(h) MATCH.—Subsection 6(c) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(c)) is amended to read as follows:

''(c) MATCHING REQUIREMENTS.—Payments to any State shall cover not more than 50 percent of the cost of outdoor recreation and conservation planning, acquisition or development projects that are undertaken by the State.''

''(i) STATE ACTION AGENDA.—Subsection 6(d) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(d)) is amended to read as follows:

''(d) STATE ACTION AGENDA REQUIRED.—Each State may define its own priorities and criteria for selection of outdoor recreation and conservation acquisition and development projects eligible for grants under this Act so long as it provides for public involvement in this process and publishes an accurate and current State Action Agenda for Community Recreation and Conservation indicating the needs it has identified and the priorities and criteria it has established. In order to assess its needs and establish its overall priorities, each State, in partnership with its local governments and Federal agencies, and in consultation with its citizens, shall develop a State Action Agenda for Community Recreation and Conservation, within five years of enactment, that meets the following requirements:

''(1) The agenda must be strategic, originating in broad-based and long-term needs, but focused on actions that can be funded over the next 4 years.

''(2) The agenda must be updated at least once every 4 years and certified by the Governor that the State Action Agenda for Community Recreation and Conservation conclusions and proposed actions have been considered in an active public involvement process.

''State Action Agenda for Community Recreation and Conservation shall take into account all providers of recreation and conservation lands within each State, including Federal, regional and local government resources and shall be correlated whenever possible with other State, regional, and local plans for parks, recreation, open space and wetlands conservation.

''Each State Action Agenda for Community Recreation and Conservation shall specifically address wetlands within that State as important outdoor recreation and conservation resources. Each State Action Agenda for Community Recreation and Conservation shall incorporate a wetlands priority plan developed in consultation with the State agency with responsibility for fish and wildlife resources which is consistent with that national wetlands priority conservation plan developed under section 301 of the Emergency Wetlands Resources Act.

''Recovery action programs developed by urban localities under section 1007 of the Urban Park and Recreation Recovery Act of 1978 shall be used by a State as one guide to the conclusions, priorities and action schedules contained in the State Action Agenda for Community Recreation and Conservation. Each State shall assure that any requirements for local outdoor recreation and conservation planning that are promulgated as conditions for grants minimize redundancy of local efforts by allowing, wherever possible, use of the findings, priorities, and implementation schedules of recovery action programs to meet such requirements.''

''(j) Comprehensive State Plans developed by any State under section 6(d) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(d)) before the enactment of this Act shall remain in effect in that State until or State Action Agenda for Community Recreation and Conservation has been adopted pursuant to the amendment made by this subsection, but no later than 5 years after the enactment of this Act.

''(k) STATE PLANS.—Subsection 6(e) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(e)) is amended—

(1) by striking ''State comprehensive plan'' at the end of the first paragraph and inserting ''State Action Agenda for Community Recreation and Conservation'';

(2) by striking ''State comprehensive plan'' in paragraph (1) and inserting ''State Action Agenda for Community Recreation and Conservation''; and

(3) by striking ''but not including incidental costs related to acquisition'' at the end of paragraph (1).

(l) CONVERSION.—Paragraph 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(f)(3)) is amended by striking the second sentence and inserting: ''With the exception of those properties that are no longer viable as an outdoor recreation and conservation facility due to changes in demographics or must be abandoned because of environmental contamination which endanger public health and safety, the Secretary shall approve such conversion only if the State demonstrates no prudent or feasible alternative exists. Any conversion must satisfy any conditions the Secretary deemed necessary to assure the substitution of other recreation and conservation properties of at least equal fair market value, or reasonably equivalent usefulness and location and which are in accord with the existing State Action Agenda for Community Recreation and Conservation: *Provided*, That wetland areas and interests therein as identified in the wetlands provisions of the action agenda and proposed to be acquired as suitable replacement property within that same State that is otherwise acceptable to the Secretary shall be considered to be of reasonably equivalent usefulness with the property proposed for conversion.''

(m) COST LIMITATIONS.—Section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–9) is amended by adding the following at the end thereof:

''(D) MAXIMUM FEDERAL COST PER PROJECT.—No expenditure shall be made to acquire any Federal land the cost of which exceeds $5,000,000 unless the funds for such acquisition have been specifically allocated to the acquisition in the report accompanying the legislation appropriating funds for the Federal agency concerned and such allocation has been approved by resolution adopted by the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.''

SEC. 204. URBAN PARK AND RECREATION RECOVERY ACT OF 1978 AMENDMENTS.

(a) GRANTS.—Section 1004 of the Urban Park and Recreation Recovery Act (16 U.S.C. §2503) is amended by redesignating subsections (d), (e), and (f) as subsections (f), (g), and (h) respectively, and by inserting the following after subsection (c):

''(d) 'development grants' means matching capital grants to local units of government to cover costs of development and construction on existing or new neighborhood recreation sites, including indoor and outdoor recreation facilities, support facilities, and landscaping, but excluding routine maintenance and upkeep activities;'';

''(e) 'acquisition grants' means matching capital grants to local units of government to cover the direct and incidental costs of purchasing new parkland to be permanently dedicated and made accessible for public recreation use;''.

(b) ELIGIBILITY.—Subsection 1005(a) of the Urban Park and Recreation Recovery Act (16 U.S.C. §2504) is amended to read as follows:

''(a) Eligibility of general purpose local governments to compete for assistance under this title shall be based upon need as determined by the Secretary. Generally, the list of eligible government shall include the following:

''(1) All central cities of Metropolitan, Primary or Consolidated Statistical Areas as currently defined by the census.

''(2) All political subdivisions included in Metropolitan, Primary or Consolidated Statistical Areas as currently defined by the census.

''(3) Any other city or town within a Metropolitan Area with a total population of 50,000 or more in the census of 1970, 1980 or 1990.

''(4) Any other county, parish or township with a total population of 250,000 or more in the census of 1970, 1980 or 1990.''

(c) MATCHING GRANTS.—Subsection 1006(a) of the Urban Park and Recreation Recovery Act (16 U.S.C. §2505(a)) is amended by striking all through paragraph (3) and inserting the following:

''SEC. 1006. (a) The Secretary is authorized to provide 70 percent matching grants for rehabilitation, innovation, development or acquisition purposes to eligible general purpose local governments upon his approval of applications therefor by the chief executives of such governments.

''(1) At the discretion of such applicants, and if consistent with an approved application, rehabilitation, innovation, development or acquisition grants may be transferred in whole or in part to independent special purpose local governments, private nonprofit agencies or county or regional park authorities; except that, such grantees shall provide assurance to the Secretary that they will maintain public recreation opportunities at assisted areas and facilities owned or managed by them in accordance with section 1010 of this Act.

''(2) Payments may be made only for those rehabilitation, innovation, development, or acquisition projects which have been approved by the Secretary. Such payments may be made from time to time in keeping with the rate of progress toward completion of a project, on a reimbursable basis.''.

(d) COORDINATION.—Section 1008 of the Urban Park and Recreation Recovery Act (16 U.S.C. §2507) is amended by striking the last sentence and inserting the following: ''The Secretary and general purpose local governments are encouraged to coordinate preparation of recovery action programs required by this title with State Action Agendas for Community Recreation and Conservation required by section 6 of the Land and Water Conservation Fund Act of 1965, including the allowance of flexibility in local preparation of recovery action programs so that they may be used to meet State or local qualifications for local receipt of Land and Water Conservation Fund grants or State grants for similar purposes or for other recreation or conservation purposes. The Secretary shall also encourage States to consider the findings, priorities, strategies and schedules included in the recovery action programs of their urban localities in preparation and updating of the State Action Agendas for Community Recreation and Conservation, in accordance with the public coordination and citizen consultation requirements of subsection 6(d) of the Land and Water Conservation Fund Act of 1965.''

(e) CONVERSION.—Section 1010 of the Urban Park and Recreation Recovery Act (16 U.S.C. §2509) is amended by striking the first sentence and inserting the following: ''No property acquired or improved or developed under this title shall, without the approval of the Secretary, be converted to other than public recreation uses. The Secretary shall approve such conversion only if the grantee demonstrates no prudent or feasible alternative exists (with the exception of those properties that are no longer a viable recreation facility due to changes in demographics or must be abandoned because of environmental contamination which endanger public health and safety). Any conversion must satisfy any conditions the Secretary deems necessary to assure the substitution of other recreation properties of at least equal fair market value, or reasonably equivalent usefulness and location and which are in accord with the current recreation recovery action program.''

(f) REPEAL.—Section 1014 of the Urban Park and Recreation Recovery Act (16 U.S.C. 2513) is repealed.

TITLE III—WILDLIFE CONSERVATION AND RESTORATION

SEC. 301. SHORT TITLE.

This title may be cited as the ''Wildlife Conservation and Restoration Act of 1998''.

SEC. 302. FINDINGS.

The Congress finds and declares that—

(1) a diverse array of species of fish and wildlife is of significant value to the Nation

for many reasons: aesthetic, ecological, educational, cultural, recreational, economic, and scientific;

(2) it should be the objective of the United States to retain for present and future generations the opportunity to observe, understand, and appreciate a wide variety of wildlife;

(3) millions of citizens participate in outdoor recreation through hunting, fishing, and wildlife observation, all of which have significant value to the citizens who engage in these activities;

(4) providing sufficient and properly maintained wildlife associated recreational opportunities is important to enhancing public appreciation of a diversity of wildlife and the habitats upon which they depend;

(5) lands and waters which contain species classified neither as game nor identified as endangered or threatened also can provide opportunities for wildlife associated recreation and education such as hunting and fishing permitted by applicable State or Federal law;

(6) hunters and anglers have for more than 60 years willingly paid user fees in the form of Federal excise taxes on hunting and fishing equipment to support wildlife diversity and abundance, through enactment of the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) and the Federal Aid in Sport Fish Restoration (commonly referred to as the Dingell-Johnson/Wallop-Breaux Act);

(7) State programs, adequately funded to conserve a broader array of wildlife in an individual State and conducted in coordination with Federal State, tribal, and private landowners and interested organizations, would continue to serve as a vital link in a nationwide effort to restore game and nongame wildlife, and the essential elements of such programs should include conservation measures which manage for a diverse variety of populations of wildlife; and

(8) it is proper for Congress to bolster and extend this highly successful program to aid game and nongame wildlife in supporting the health and diversity of habitat, as well as providing funds for conservation education.

SEC. 303. PURPOSES.

The purposes of this title are—

(1) to extend financial and technical assistance to the States under the Federal Aid to Wildlife Restoration Act for the benefit of a diverse array of wildlife and associated habitats, including species that are not hunted or fished, to fulfill unmet needs of wildlife within the States while recognizing the mandate of the States to conserve all wildlife;

(2) to assure sound conservation policies through the development, revision and implementation of wildlife associated recreation and wildlife associated education and wildlife conservation law enforcement;

(3) to encourage State fish and wildlife agencies to create partnerships between the Federal Government, other State agencies, wildlife conservation organizations, and outdoor recreation and conservation interests through cooperative planning and implementation of this title; and

(4) to encourage State fish and wildlife agencies to provide for public involvement in the process of development and implementation of a wildlife conservation and restoration program.

SEC. 304. DEFINITIONS.

(a) REFERENCE TO LAW.—In this title, the term ''Federal Aid in Wildlife Restoration Act'' means the Act of September 2, 1937 (16 U.S.C. 669 et seq.), commonly referred to as the Federal Aid in Wildlife Restoration Act or the Pittman-Robertson Act.

(b) WILDLIFE CONSERVATION AND RESTORATION PROGRAM.—Section 2 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669a) is amended by inserting after ''shall be construed'' in the first place it appears the following: ''to include the wildlife conservation and restoration program and''.

(c) STATE AGENCIES.—Section 2 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669a) is amended by inserting ''or State fish and wildlife department'' after ''State fish and game department''.

(d) CONSERVATION.—Section 2 is amended by striking the period at the end thereof, substituting a semicolon, and adding the following: ''the term 'conservation' shall be construed to mean the use of methods and procedures necessary or desirable to sustain healthy populations of wildlife including all activities associated with scientific resources management such as research, census, monitoring of populations, acquisition, improvement and management of habitat, live trapping and transplantation, wildlife damage management, and periodic or total protection of a species or population as well as the taking of individuals within wildlife stock or population if permitted by applicable State and Federal law; the term 'wildlife conservation and restoration program' shall be construed to mean a program developed by a State fish and wildlife department that the Secretary determines meets the criteria in section 6(d), the projects that constitute such a program, which may be implemented in whole or part through grants and contracts by a State to other State, Federal, or local agencies wildlife conservation organizations and outdoor recreation and conservation education entities from funds apportioned under this title, and maintenance of such projects; the term 'wildlife' shall be construed to mean any species of wild, free-ranging fauna including fish, and also fauna in captive breeding programs the object of which is to reintroduce individuals of a depleted indigenous species into previously occupied range; the term 'wildlife-associated recreation' shall be construed to mean projects intended to meet the demand for outdoor activities associated with wildlife including, but not limited to, hunting and fishing, such projects as construction or restoration of wildlife viewing areas, observation towers, blinds, platforms, land and water trails, water access, trailheads, and access for such projects; and the term 'wildlife conservation education' shall be construed to mean projects, including public outreach, intended to foster responsible natural resource stewardship.''.

(e) 7 PERCENT.—Subsection 3(a) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(a)) is amended in the first sentence by—

(1) inserting ''(1)'' after ''(beginning with the fiscal year 1975)''; and

(2) inserting after ''Internal Revenue Code of 1954'' the following: '', and (2) from 7 percent of the revenues, as that term is defined in the Conservation and Reinvestment Act of 1999,''.

SEC. 305. SUBACCOUNTS AND REFUNDS.

Section 3 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b) is amended by adding at the end the following new subsections:

''(c) A subaccount shall be established in the Federal aid to wildlife restoration fund in the Treasury to be known as the 'wildlife conservation and restoration account' and the credits to such account shall be equal to the 7 percent of revenues referred to in subsection (a)(2). Amounts in such account shall be invested by the Secretary of the Treasury as set forth in subsection (b) and shall be made available without further appropriation, together with interest, for apportionment at the beginning of fiscal year 2000 and each fiscal year thereafter to carry out State wildlife conservation and restoration programs.

''(d) Funds covered into the wildlife conservation and restoration account shall supplement, but not replace, existing funds available to the States from the sport fish restoration and wildlife restoration accounts and shall be used for the development, revision, and implementation of wildlife conservation and restoration programs and should be used to address the unmet needs for a diverse array of wildlife and associated habitats, including species that are not hunted or fished, for wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects: *Provided,* That such funds may be used for new programs and projects as well as to enhance existing programs and projects.

''(e) Notwithstanding subsections (a) and (b) of this Act, with respect to the wildlife conservation and restoration account so much of the appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the fourth succeeding fiscal year. Any amount apportioned to any State under this subsection that is unexpended or unobligated at the end of the period during which it is available for expenditure on any project is authorized to be reapportioned to all States during the succeeding fiscal year.

''(f) In those instances where through judicial decision, administrative review, arbitration, or other means there are royalty refunds owed to entities generating revenues available for purposes of this Act, 7 percent of such refunds shall be paid from amounts available under subsection (a)(2).''.

SEC. 306. ALLOCATION OF SUBACCOUNT RECEIPTS.

Section 4 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669c) is amended by adding the following new subsection:

''(c)(1) Notwithstanding subsection (a), an amount, not to exceed 2 percent, of the revenues covered into the wildlife conservation and restoration account in each fiscal year as the Secretary of the Interior may estimate to be necessary for expenses in the administration and execution of programs carried out under the wildlife conservation and restoration account shall be deducted for that purpose, and such amount is authorized to be made available therefor until the expiration of the next succeeding fiscal year. Within 60 days after the close of such fiscal year, the Secretary of the Interior shall apportion any portion thereof as remains unexpended, if any, on the same basis and in the same manner as is provided under paragraphs (2) and (3).

''(2) The Secretary of the Interior, after making the deduction under paragraph (1), shall make the following apportionment from the amount remaining in the wildlife conservation and restoration account:

''(A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than ½ of 1 percent thereof; and

''(B) to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than ⅙ of 1 percent thereof.

''(3) The Secretary of the Interior, after making the deduction under paragraph (1)

and the apportionment under paragraph (2), shall apportion the remaining amount in the wildlife conservation and restoration account for each year among the States in the following manner:

''(A) ⅓ of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and

''(B) ⅔ of which is based on the ratio to which the population of such State bears to the total population of all such States.

''The amounts apportioned under this paragraph shall be adjusted equitably so that no such State shall be apportioned a sum which is less than ½ of 1 percent of the amount available for apportionment under this paragraph for any fiscal year or more than 5 percent of such amount.''.

''(d) WILDLIFE CONSERVATION AND RESTORATION PROGRAMS.—Any State, through its fish and wildlife department, may apply to the Secretary for approval of a wildlife conservation and restoration program or for funds to develop a program, which shall—

''(1) contain provision for vesting in the fish and wildlife department of overall responsibility and accountability for development and implementation of the program; and

''(2) contain provision for development and implementation of—

''(A) wildlife conservation projects which expand and support existing wildlife programs to meet the needs of a diverse array of wildlife species,

''(B) wildlife associated recreation programs, and

''(C) wildlife conservation education projects.

If the Secretary of the Interior finds that an application for such program contains the elements specified in paragraphs (1) and (2), the Secretary shall approve such application and set aside from the apportionment to the State made pursuant to section 4(c) an amount that shall not exceed 90 percent of the estimated cost of developing and implementing segments of the program for the first 5 fiscal years following enactment of this subsection and not to exceed 75 percent thereafter. Not more than 10 percent of the amounts apportioned to each State from the subaccount for the State's wildlife conservation and restoration program may be used for law enforcement. Following approval, the Secretary may make payments on a project that is a segment of the State's wildlife conservation and restoration program as the project progresses but such payments, including previous payments on the project, if any, shall not be more than the United States pro rata share of such project. The Secretary, under such regulations as he may prescribe, may advance funds representing the United States pro rata share of a project that is a segment of a wildlife conservation and restoration program, including funds to develop such program. For purposes of this subsection, the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.''.

(b) FACA.—Coordination with State fish and wildlife department personnel or with personnel of other State agencies pursuant to the Federal Aid in Wildlife Restoration Act or the Federal Aid in Sport Fish Restoration Act shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.). Except for the preceding sentence, the provisions of this title relate solely to wildlife conservation and restoration programs as defined in this title and shall not be construed to affect the provisions of the Federal Aid in Wildlife Restoration Act relating to wildlife restoration projects or the provisions of the Federal Aid in Sport Fish Restoration Act relating to fish restoration and management projects.

SEC. 307. LAW ENFORCEMENT AND PUBLIC RELATIONS.

The third sentence of subsection (a) of section 8 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669g) is amended by inserting before the period at the end thereof: '', except that funds available from this subaccount for a State wildlife conservation and restoration program may be used for law enforcement and public relations''.

SEC. 308. PROHIBITION AGAINST DIVERSION.

No designated State agency shall be eligible to receive matching funds under this Act if sources of revenue available to it on January 1, 1998, for conservation of wildlife are diverted for any purpose other than the administration of the designated State agency, it being the intention of Congress that funds available to States under this Act be added to revenues from existing State sources and not serve as a substitute for revenues from such sources. Such revenues shall include interest, dividends, or other income earned on the foregoing.

Mr. MURKOWKSI. Mr. President, I rise today, along with a bipartisan group of Senators, to introduce the Conservation and Reinvestment Act of 1999.

This important piece of legislation remedies a tremendous inequity in the distribution of revenues generated by offshore oil and gas production by directing that a portion of those moneys be allocated to coastal States and communities who shoulder the responsibility for energy development activity off their coastlines. It also provides a secure funding source for state recreation and wildlife conservation programs.

By reinvesting revenues from offshore oil and gas production into a variety of important conservation, recreation and environmental programs, this bill will rededicate the Federal government to a partnership with state and local governments to meet the demands of all Americans for outdoor experiences. In addition, it reaffirms the original premise of the Land and Water Conservation Fund that a portion of the revenues obtained by the Federal government from the development of our natural resources should be reinvested into the outdoor recreation and natural resource estate of the Nation.

This bill is the start of a process. It is a bipartisan bill. And, like any bipartisan bill reflects choices and compromises. It contains provisions which need to be examined in detail as the legislative process moves forward. I also anticipate a series of amendments from both sides of the aisle to the bill. I know there are amendments I intend to offer to make this bill a better bill for my constituents. That is what the legislative process is all about. As Chairman of the Senate Committee on Energy and Natural Resources, I promise to devote the time necessary to flesh these issues out and to give all parties which have interest in this bill an opportunity to be heard. This bill warrants nothing less.

Title 1 of the bill, which provides for coastal impact assistance, is similar to legislation I have introduced in prior Congresses and is an issue I have worked on for my entire Senate career.

Title 1 is based on a Minerals Management Service advisory committee report. It directs that 27 percent of the revenues generated from oil and natural gas production on the Outer Continental Shelf—or OCS—be returned to coastal States and communities that share the burdens of exploration and production off their coastlines. Offshore oil and gas production generates $3 to $4 billion in revenues annually for the U.S. Treasury. Yet, unlike mineral receipts from onshore Federal lands, OCS oil and gas revenues are not directly returned to the States in which production occurs.

This legislation remedies this disparity. States and communities that bear the responsibilities for offshore oil and gas production will finally share in its benefits. This legislation would, for the first time, share revenues generated by OCS oil and gas activities with counties, parishes and boroughs—the local governmental entities most directly affected—and State governments.

The bill also acknowledges that all coastal States, including those States bordering the Great Lakes, have unique needs and directs that a portion of OCS revenues be shared with these States, even if no OCS production occurs off their coasts. Coastal States and communities can use OCS Impact Assistance funds on everything from environmental programs, to coastal and marine conservation efforts, to new infrastructure requirements.

In Alaska, Boroughs could use OCS funds to participate in the environmental planning process required by Federal laws before OCS development occurs. Other rural coastal communities in Alaska could use the money for sanitation improvements. While still others, like Unalakleet, may use the money to construct sea walls and breakwaters or beach rehabilitation—efforts which will combat the impacts of coastal erosion. Further, as the Federal OCS program expands in Alaska, this legislation will mean even more revenues to the State, boroughs and local communities.

This is a true investment in the future. This is money that will be used, day-in and day-out, to improve the quality of life of coastal State residents—money which come from oil and gas production.

As Chairman of the Energy and Natural Resources Committee, I know all too well that offshore oil and gas production is a lightning rod of environmental groups who will go to great

lengths to disparage an activity that is vital to the long-term energy and economic security of this country. These groups will likely say that this bill creates incentives for offshore oil and gas production because a factor in the distribution formula is a State's proximity to OCS production.

Let us remember, this is an impact assistance bill—revenue sharing, if you will. States only will have impacts if they have production. The States with production, obviously, have greater needs and are most deserving of a large share of OCS revenues.

Mr. President, let me also remind everyone, that OCS production only occurs off the coasts of 6 States—yet the bill shares OCS revenues with 34 States. There are 28 coastal States that will get a share of OCS revenues which have no OCS production. In fact, in all areas except the Gulf of Mexico and Alaska there is a moratorium prohibiting *any* new OCS production.

It is the long-term best interest of this country to support responsible and sustainable development of nonrenewable resources. We now import more than 50 percent of our domestic petroleum requirements and the Department of Energy's Information Administration predicts, in ten years, America will be at least 64 percent dependent on foreign oil. OCS development will play an important role in offsetting even greater dependence on foreign energy.

The OCS accounts for 24 percent of this Nation's natural gas production and 14 percent of its oil production. We need to ensure that the OCS continues to meet our future domestic energy needs.

I firmly believe that the Federal government needs to do all it can to pursue and encourage further technological advances in OCS exploration and production. These technological achievements have and will continue to result in new OCS production having an unparalleled record of excellence on environmental and safety issues. Additional technological advances with appropriate incentives will further improve new resource recovery and therefore increase revenues to the Treasury for the benefit of all Americans who enjoy programs funded by OCS money.

I will do all I can to ensure a healthy OCS program, including new OCS development in the Arctic. A number of challenges face new developments in this area—I am confident that we can work through them all. History has shown us that in the Arctic, and in other OCS areas, development and the environmental protection are compatible.

This bill also takes a portion of the revenues received by the Federal government from OCS development and invests it in conservation and wildlife programs. Thus, Titles 2 and 3 of the bill share OCS revenues with ALL States for these purposes.

Title 2 of this bill provides a secure source of funding for the Land and Water Conservation Fund. The LWCF was established over three decades ago to provide Federal money for State and Federal land acquisition and help meet Americans recreation needs.

Over thirty years ago, Congress had the foresight to recognize the ever growing need of the American public for parks and recreation facilities with the passage of the Land and Water Conservation Fund Act. That landmark piece of legislation was premised on the belief that revenues earned from the depletion of a nonrenewable resource need to be reinvested in a renewable resource for the benefit of future generations. This rationale is as valid today as it was in the mid-1960s.

To accomplish this goal, the Land and Water Conservation Fund Act directs that revenues earned from offshore oil and gas production should be spent on the acquisition of Federal recreation lands by the land management agencies. The Act also creates a state-side matching grant program.

The state-side matching grant program provides 50–50 matching grants to States and local communities for the acquisition and construction of park and recreation facilities. The state-side program has a truly unique legacy in the history of American conservation by providing the States with a leadership role in the provision of recreation opportunities. Through the 1995 Fiscal Year, over 3.2 billion in Federal dollars have been leveraged to fund over 37 thousand state and local park and recreation projects.

Yet, despite these successes, the President had not requested any money for the state-side program for the last four years. This is a program supported by this Nation's mayors, Governors, and the recreation community. The state-side matching grant should not have to justify annually its existence with Congressional appropriators.

The same can be said of the Urban Park and Recreation Recovery program established by Congress in 1978. UPAR provides Federal funds to distressed urban areas to rehabilitate and construct recreation facilities.

Together, these programs strived to create a national system of parks that would, day-in and day-out, meet the recreation and open-space demands of the American public. Title 2 recognizes the value of the state-side LWCF matching grant program and the UPAR program by providing them with the stable source of funding they have been lacking.

I also want to mention the money this bill provides for Federal land acquisition. To many westerners, including myself, the Federal government already owns too much land. In my state of Alaska, the four Federal land management agencies alone manage more than 60 percent of all the acreage in the State.

Nonetheless, the demand for Federal land acquisition dollars is significant. The four Federal land management agencies have identified more than 45 million acres of privately owned lands lying within the boundaries of Federal land management units, including national parks, national forests, and national wildlife refuges. Many of these inholders, who want to sell, have been waiting for decades to receive compensation from the Federal government for their property. In many instances these landowners must suffer with restrictions on access to and use of their lands while they wait endlessly for the funds to compensate them for their land.

In recognition of these competing propositions regarding Federal ownership, the bill tries to reach a balance. It provides money for Federal land acquisition. However, limitations are placed on its expenditure. First, Federal land acquisition money available under this bill only could be used to purchase lands within the boundaries of conservation areas established by an Act of Congress. Second, such lands only could be purchased from willing sellers. That is, the Federal land acquisition money available under this bill could not be used to condemn any property. The use of eminent domain is explicitly foreclosed. Third, three-quarters of the money must be spent on land acquisition east of the 100th meridian (east of Texas). These provisions are more restrictive than the current law regarding the use of LWCF moneys for Federal land acquisitions.

I know that there are many who are not happy with this compromise. I cannot say I am happy totally with it. I do not think it provides adequate protections for the roles and responsibilities of the authorizing and appropriations committees. I can pledge that this will be an issue subject to discussions on the Energy and Natural Resources Committee. Under our Constitutional system of government, Congress has the plenary authority over Federal lands and appropriations. I believe that the historic role of Congress is setting the priorities for land acquisition should be preserved. Certainly, the President should set forth his preferences, as he does now, but in the final analysis the Congress should approved any expenditure.

Title 3 of this bill provides funding for State fish and wildlife conservation programs. In Alaska, with its unparalleled natural beauty, fishing and hunting are two of the most popular forms of outdoor recreation. The bill directs that a portion of OCS revenues should go to the State for wildlife purposes.

The money would be distributed through the Pittman-Robertson program administered by the United States Fish and Wildlife Service. This money could be used for both game and non-game wildlife. With the inclusion

of OCS revenues, the amount of money available for state fish and game programs would nearly double.

This is a no-tax alternative to the ''Teaming with Wildlife'' proposal. States will be able to use these moneys to increase fish and wildlife populations and improve fish and wildlife habitat. States also could use the money for wildlife education programs.

The bill creates a new subaccount, under Pittman-Robertson, called the Wildlife Conservation and Restoration account. The money in this account, from OCS revenues, will provide the funding needed to move the conservation community beyond the debate over game versus non-game funding. States will have the flexibility on deciding how to spend these funds to meet the conservation demands of all their residents.

I am proud of this proposal which will be a win-win for the oil and gas industry, the States, environmental and conservation groups, and all Americans.

I know it will be a win-win for Alaskans. Alaska is projected to receive more than $130 million annually from this proposal. In Fiscal Year 2000, Alaska would receive approximately $110 million in OCS Impact Assistance. Of this total, the State would receive $44 million as would coastal communities within 200 miles of an OCS lease including the North Slope Borough, Barrow, and Kaktovik. Other coastal communities, not near an OCS lease, like Valdez and Homer, would receive $22 million. These funds could be used for infrastructure, including sanitation improvements and safe roads, coastal erosion projects, and environmental protection programs. Title 2 and 3 of the bill provide an additional $21 million for state and local park, recreation, and wildlife conservation programs.

These funds are sorely needed to meet the needs of the communities in Alaska and the skyrocketing public demand for wildlife and outdoor recreation programs and facilities within the State. Given this demand, I have received letters of support from throughout Alaska, including the cities of Barrow, Cordova, Soldotna, Haines, Sitka, Kotzebue and the Kodiak Island Burrough.

This bill is far from perfect but it is a step to ensuring not only that Coastal States have money to address the effects of OCS-activities but that all States have funds necessary to provide outdoor recreation and conservation resources for all of us to enjoy.

As we begin the 106th Congress, I can pledge, as Chairman of the Energy and Natural Resources Committee, that the enactment of this bill will be one of my highest priorities this year. I intend to hold a series of hearings on the bill to examine, in detail, its provisions. In closing, I encourage not only the members of the Senate but also all Americans to support this important and exciting piece of conservation legislation.

Mr. SESSIONS. Mr. President, today I join my colleagues, Senators, MURKOWSKI and LANDRIEU in introducing the bipartisan ''Conservation and Re-Investment Act of 1999''. The Conservation and Re-Investment Act will serve to provide dedicated funding for the Land and Water Conservation Fund, wildlife enhancement programs and urban parks development by redirecting a portions of the royalty revenues derived from Outer Continental Shelf oil and gas production. In addition, this bill will redirect a portion of Outer Continental Shelf royalties directly back to coastal states which have been impacted by Outer Continental Shelf oil and gas production in order to assist those states in restoring and preserving air quality, water quality, wetlands, estuaries and other coastal resources and environments impacted by Outer Continental Shelf oil and gas production.

This bill will allow coastal states to create trust funds, the revenues of which can be used in perpetuity for such purposes as environmental protection, conservation, water quality and public land purchases. Recognizing the boom and bust nature of oil and gas production, Alabama long ago created a protected trust fund from the oil and gas royalties it receives from development off its' coast. The revenues derived from the investment this fund have been used by the state to fund popular wildlife conservation programs and the state's ''Forever Wild'' program. These programs have permitted the state to make land purchases to create and expand Alabama's park system and to help create additional outdoor recreation opportunities for its citizens. It is my hope that this bill will create the conduit for other states and the federal government to follow the example set by my home state of Alabama. While the revenues derived from this fund will be limited to the goals of the Conservation and Re-Investment Act, a prudent coastal state must consider this option to guard against the boom and bust nature of the oil and gas business.

Mr. President, this bill will go a long way towards protecting the environment and increasing conservation in coastal states and the entire nation by creating a dedicated funding mechanism to fulfill these goals. We, along with future generations, will benefit greatly from this legislation. I look forward to working with my colleagues to craft a bill which can continue to enjoy bi-partisan support and be passed into law.

Mr. LOTT. Mr. President, it is with great pleasure that I join my colleagues, Senators LANDRIEU, MURKOWSKI and SESSIONS, in introducing the Reinvestment and Environmental Restoration Act.

Mr. President, since the inception of the oil and gas program on the Outer Continental Shelf (OCS), States and coastal communities have sought a greater share of the benefits from development. And why shouldn't they? These communities provide the infrastructure, public services, manpower and support industries necessary to sustain this development.

Currently, the majority of OCS revenues are funneled into the Federal Treasury where they are used to pay for various Federal programs and to reduce the deficit. While funding programs and reducing the deficit is certainly important, I believe that some percentage of the revenues should be reinvested in the affected region.

Our bill does just that. The Reinvestment and Environmental Restoration Act diverts one-half of the OCS revenues from the Federal Treasury to coastal States and communities for a multitude of programs: air and water quality monitoring, wetlands protection, coastal restoration and shoreline protection, land acquisition, infrastructure, public service needs, State park and recreation programs and wildlife conservation.

This bill allows States and communities to use these funds. These States will effectively use the funds for local needs. In Pascagoula, for example, authorities might choose to restore and secure the shoreline where years of sea traffic have taken their toll. Further north in Vancleave, they may choose instead to refurbish the roads and bridges that carry the heavy machinery coming and going from the coast. This bill provides a framework within which these localities can make the right decisions for their citizens and their environment.

Mr. President, I have been working on this issue for many, many years. As a ''coast dweller myself,'' I know the impact that the oil and gas industry can have on communities and the importance of reinvestment in these areas. This is not to say that the industry mistreats the States; on the contrary, they work very hard to comply with stringent environmental regulations and to take care of the community as best they can. The OCS Policy Committee said in 1993 that, despite the oil industry's best efforts, ''OCS development still can affect community infrastructure, social services and the environment in ways that cause concerns among residents of the coastal States and communities.''

I know that there is no way to totally eliminate this impact on coastal communities. I also know that, while the benefits of a healthy OCS program are felt nationally, the infrastructure, environmental and social costs are felt locally. Our bill would put money back into the communities that need it most.

It would also put money back into the environmental resources of the

area. Exploration for non-renewable resources and stewardship of coastal resources are not mutually exclusive, but must be carefully balanced for both to be sustained. It is important that wetlands, fisheries and water resources are taken into consideration. Affordable adequate protection is possible.

In addition to supporting up the States and coastal communities, our bill also provides funding for the Land and Water Conservation Fund (LWCF). More than 30 years ago, Congress set up this fund to address the American public's desire for more parks and recreational facilities. This bill makes the program self-sufficient, providing a secure funding source from the OCS revenues. This is an investment in our future—our land, our natural resources and our recreational enjoyment.

Mr. President, our bill makes yet another investment with these OCS revenues—an investment in fish and wildlife programs. With the inclusion of OCS revenues, the amount of money available for State programs would nearly double. This is money that can be used to increase fish and wildlife populations and habitats. It could even be used for wildlife education programs.

Mr. President, this bill was carefully crafted to strike a balance between the needs and interests of the oil and gas industry, the States, and the environmental and conservation groups. It's a good package that will benefit all Americans, not just those who live and work in coastal areas. It will benefit hunters and anglers. It will benefit bird watchers and campers. It will benefit all Americans who take solace in the fact that the oil industry is taking care of the communities that support it.

I appreciate the hard work of my colleagues and look forward to advancing this important legislation in the 106th Congress.

By Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. LEVIN, Ms. COLLINS, Mr. LIEBERMAN, Ms. SNOWE, Mr. WELLSTONE, Mr. JEFFORDS, Mr. DURBIN, Mr. SCHUMER, Mr. REID, Mr. BRYAN, Mr. SARBANES, Mr. ROBB, Mr. DORGAN, Mr. MOYNIHAN, Mr. KERRY, Mr. KERREY, Mr. CLELAND, Mr. LEAHY, Mr. BAYH, Mrs. FEINSTEIN, Mrs. BOXER, Mr. HOLLINGS, Mr. GRAHAM, Mr. JOHNSON, and Mr. CHAFEE):

S. 26. A bill entitled the ''Bipartisan Campaign Reform Act of 1999''; to the Committee on Rules and Administration.

BIPARTISAN CAMPAIGN REFORM ACT OF 1999

Mr. FEINGOLD. Mr. President, the American campaign finance system is manifestly corrupt. So we are back. And here we will return until America's citizens regain dominion over their government. It is my great pleasure to join Sen. JOHN MCCAIN to once again introduce a bipartisan campaign finance reform bill in the United States Senate. This is the third Congress in which we have taken up this fight together. I want to thank my friend and colleague Senator MCCAIN for his tireless devotion to this issue and his continued willingness to defy the leadership of his party to press it. It will take great effort to achieve consensus and pass this legislation. But I truly do believe that we can make a breakthrough this year, and the reintroduction of the McCain-Feingold bill is the first step toward making that happen.

Mr. President, our democracy is sick. The corrupting influence of big money is taking a daily toll on our work here in the Congress and on the confidence of the American people in our ability to do that work fairly and in their interests. The future of our country is truly at stake in this fight for reform, and that is why, despite the setbacks we have suffered in the last two Congress, despite our inability in the last two Congresses to overcome filibusters by a minority of this body, we are back on the floor today. On the first day that bills can be introduced in the United States Senate, I am here to serve notice that reform is at the top of the list of things that we must do in this Congress. And I commit to the American people, and to my constituents in Wisconsin who reelected me to do precisely this job, that I will fight for reform throughout this year and the next year, if need be, until we win.

Let me take a moment, Mr. President, to review what the McCain-Feingold bill tries to accomplish. First and foremost, we ban soft money—the unlimited contributions that corporate, labor, and very wealthy individual donors can now give to the political parties. We must bring back some sanity to the campaign finance system by making the parties and donors live once again within the rules that the Congress passed back in the 1970's after the Watergate era. Perhaps some of those rules need to be updated, but throwing the rules out is not an option. The potential for corruption of our legislative process is too great. I will return to the issue of prohibiting soft money in a moment, because it is central to the goals of our bill.

Mr. President, this bill also includes the amendment dealing with abuses of ''issue advocacy'' proposed by Senator SNOWE of Maine and Senator JEFFORDS of Vermont and adopted by the Senate last year during debate on our bill. The Snowe-Jeffords amendment is a balanced approach to the ''phony issue ad'' problem that prohibits corporations and unions from purchasing television and radio advertisements within the last 2 months of a campaign if those ads refer to a clearly identified candidate. It is designed to prevent corporate and union treasury money, which has been banned from federal elections since early in this century, from making its way back into the elections in the form of advertisements that pretend to be about issues, but instead are about elections.

Advocacy groups, on the other hand, are permitted to purchase what the bill calls ''electioneering communications,'' as long as they disclose their expenditures and the major donors to the effort and take steps to prevent the use of corporate and union treasury money for the ads. Mr. President, we worked long and hard to perfect this amendment last year, to make sure that it is constitutional, and that it will be effective in combating what has become a very serious subterfuge engaged in by entities that plainly want to influence elections but don't want to abide by the election laws. It is a crucial piece of the campaign finance reform puzzle, and we are proud to have the support of Senators SNOWE and JEFFORDS for our effort and to include their proposal in our bill.

The McCain-Feingold bill also takes a further step in addressing the spending of unions in elections by codifying the so-called Beck decision. Under our bill, non-union members who are required to pay agency fees to unions under their state laws will be able to demand an accounting of the use of their fees, and to prevent those fees from being spent for electoral purposes. This provision does not go as far as some of our colleagues might like, but it is a fair and balanced provision that recognizes the need to tread lightly on this issue to maintain bipartisan support for the bill.

The bill also contains important provisions designed to improve enforcement and disclosure under our campaign finance laws. It requires electronic filing and posting of campaign finance information on the Internet to make sure that the public can quickly and easily determine who the major contributors are to candidates and parties. It doubles the penalties for ''knowing and willful'' violations of Federal election laws. It provides for more timely disclosure of independent expenditures. It requires campaigns to collect all required contributor information before depositing checks. And it permits the FEC to conduct random audits at the end of a campaign to ensure compliance with the Federal election laws.

Our bill also requires political advertisements to carry a disclaimer identifying who is responsible for the content of the campaign ad; and it bars Members of Congress from sending out taxpayer-financed franked mass mailings during the calendar year of their election.

It also addresses two important areas where we have learned in the past few years that the law is simply not clear enough or strong enough. Our bill

makes it clear that it is unlawful to raise or solicit campaign contributions on Federal property, including the White House and the congressional office buildings. And it makes it clear that contributions from foreign governments and foreign nationals are prohibited in Federal, State and local elections, including donations of soft money.

Mr. President, this fight is a fight for the soul and the survival of our American democracy. This democracy cannot survive without the confidence of the people in the integrity of the legislative and the electoral process. The prevalence—no—the dominance—of money in our system of elections and our legislature will in the end cause them to crumble. If we don't take steps to clean up this system it ultimately will consume us along with our finest American ideals.

We are now engaged in an historic impeachment trial, in which we are asked to determine as jurors whether the President has committed ''high crimes and misdemeanors'' and should be removed from office. The American people are divided on this question.

But the American people do think it's a crime that the tobacco companies can use money to block a bill to curtail teen smoking. They do think it's a crime that insurance companies can use money to block desperately needed health care reform. They do think it's a crime that telecommunication companies use money to force a bill through Congress that's supposed to increase competition and decrease prices, but leads to cable rates that keep on rising and rising. And they do think it's a crime that corporations and unions are able to give unlimited soft money contributions to the political parties to advance their narrow special interests.

They think it's a crime. But here in Washington it is business as usual—until we manage to pass meaningful campaign finance reform.

Let me be clear Mr. President, I'm not suggesting that any individual Member of Congress is corrupt. I don't know that any Member of this body has ever traded a vote for a contribution. But while Members are not corrupt, the system is riddled with corruption. It is only human to want to help those who have helped you get elected or reelected, to agree to the meeting, to take the phone call, to allow the opportunity to be persuaded by those who have given money. It is true of the parties, and it is true of the Members, even those who seek always to cast their votes on the merits. The result is that people who don't have money don't get heard. And in the end, those who get heard get their way.

Mr. President, as you know, I won a very hard fought campaign last year in which soft money and issue ads and campaign spending were much discussed issues. I learned a lot from that campaign, and my experience has made me even more certain that the system we now live under must be changed and can be changed.

As we once again take up this charge, I can tell you how enjoyable and rewarding it can be to run a campaign where endless fundraising is not part of your daily routine. And how it is possible to run a decent campaign without getting down in this soft money swamp.

Mr. President, we don't need to point fingers at one another, we just have to rise above politics and do the right thing by the American people. We must clean up our own house, Mr. President. We cannot continue to ignore the corruption in our midst, the cancer that is eating the heart out of the great American compact of trust and faith between the people and their elected representatives.

We know that unlimited soft money contributions make a mockery of our election laws and threaten the fairness of the legislative process. We know that phony issue ads paid for with unlimited corporate and union funds undermine the ability of citizens to understand who is bankrolling the candidates and why. We can find bipartisan solutions to these problems that respect all legitimate First Amendment rights if we are willing to put partisan political advantage aside and sit down and work it out.

Senator McCAIN and I are ready—we have been ready ever since we introduced our bill—to make changes to our bill that will bring new supporters on board and get us past the 60 vote threshold that the Senate rules have placed in our way, so long as we stay true to the goal of a cleaner, fairer, system in which money will no longer dominate.

We will all be proud of the results if we can do that Mr. President. And the American people will be proud of us. So I look forward to working with Senator McCAIN and with all my colleagues who want to give the American people a campaign finance system that will protect and nurture our democracy as we enter the 21st century.

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

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

S. 26

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

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Reform Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.
Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Subtitle A—Electioneering Communications

Sec. 201. Disclosure of electioneering communications.
Sec. 202. Coordinated communications as contributions.
Sec. 203. Prohibition of corporate and labor disbursements for electioneering communications.

Subtitle B—Independent and Coordinated Expenditures

Sec. 211. Definition of independent expenditure.
Sec. 212. Civil penalty.
Sec. 213. Reporting requirements for certain independent expenditures.
Sec. 214. Independent versus coordinated expenditures by party.
Sec. 215. Coordination with candidates.

TITLE III—DISCLOSURE

Sec. 301. Filing of reports using computers and facsimile machines; filing by Senate candidates with Commission.
Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
Sec. 303. Audits.
Sec. 304. Reporting requirements for contributions of $50 or more.
Sec. 305. Use of candidates' names.
Sec. 306. Prohibition of false representation to solicit contributions.
Sec. 307. Soft money of persons other than political parties.
Sec. 308. Campaign advertising.

TITLE IV—PERSONAL WEALTH OPTION

Sec. 401. Voluntary personal funds expenditure limit.
Sec. 402. Political party committee coordinated expenditures.

TITLE V—MISCELLANEOUS

Sec. 501. Codification of Beck decision.
Sec. 502. Use of contributed amounts for certain purposes.
Sec. 503. Limit on congressional use of the franking privilege.
Sec. 504. Prohibition of fundraising on Federal property.
Sec. 505. Penalties for knowing and willful violations.
Sec. 506. Strengthening foreign money ban.
Sec. 507. Prohibition of contributions by minors.
Sec. 508. Expedited procedures.
Sec. 509. Initiation of enforcement proceeding.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

Sec. 601. Severability.
Sec. 602. Review of constitutional issues.
Sec. 603. Effective date.
Sec. 604. Regulations.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 323. SOFT MONEY OF POLITICAL PARTIES.

''(a) NATIONAL COMMITTEES.—

''(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political

party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.—This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

''(iii) a communication that refers to a clearly identified candidate (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the campaign activity is not a Federal election activity described in subparagraph (A);

''(ii) a contribution to a candidate for State or local office, if the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office;

''(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

''(vi) the cost of constructing or purchasing an office facility or equipment for a State, district or local committee.

''(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, and an officer or agent acting on behalf of any such party committee or entity shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Secretary of the Treasury for determination of tax-exemption under such section).

''(e) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not solicit, receive, direct, transfer, or spend funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) EXCEPTIONS.—

''(A) STATE LAW.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office in connection with such election for State or local office if the solicitation or receipt of funds is permitted under State law for any activity other than a Federal election activity.

''(B) FUNDRAISING EVENTS.—Paragraph (1) does not apply in the case of a candidate who attends, speaks, or is a featured guest at a fundraising event sponsored by a State, district, or local committee of a political party.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

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

(3) by adding at the end the following:

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 213) is amended by adding at the end the following:

''(f) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 323 APPLIES.—A political committee (not described in paragraph (1)) to which section 323(b)(1) applies shall report all receipts and disbursements made for activities described in subparagraphs (A) and (B)(v) of section 323(b)(2).

''(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).''.

(b) REPEAL OF BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Subtitle A—Electioneering Communications

SEC. 201. DISCLOSURE OF ELECTIONEERING COMMUNICATIONS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) ADDITIONAL STATEMENTS ON ELECTIONEERING COMMUNICATIONS.—

''(1) STATEMENT REQUIRED.—Every person who makes a disbursement for electioneering communications in an aggregate amount in excess of $10,000 during any calendar year shall, within 24 hours of each disclosure date, file with the Commission a statement containing the information described in paragraph (2).

''(2) CONTENTS OF STATEMENT.—Each statement required to be filed under this subsection shall be made under penalty of perjury and shall contain the following information:

''(A) The identification of the person making the disbursement, of any entity sharing or exercising direction or control over the activities of such person, and of the custodian of the books and accounts of the person making the disbursement.

''(B) The State of incorporation and the principal place of business of the person making the disbursement.

''(C) The amount of each disbursement during the period covered by the statement and the identification of the person to whom the disbursement was made.

''(D) The elections to which the electioneering communications pertain and the names (if known) of the candidates identified or to be identified.

''(E) If the disbursements were paid out of a segregated account to which only individuals could contribute, the names and addresses of all contributors who contributed

an aggregate amount of $500 or more to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(F) If the disbursements were paid out of funds not described in subparagraph (E), the names and addresses of all contributors who contributed an aggregate amount of $500 or more to the organization or any related entity during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(G) Whether or not any electioneering communication is made in coordination, cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee, any political party or committee, or any agent of the candidate, political party, or committee and if so, the identification of any candidate, party, committee, or agent involved.

''(3) ELECTIONEERING COMMUNICATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'electioneering communication' means any broadcast from a television or radio broadcast station which—

''(i) refers to a clearly identified candidate for Federal office;

''(ii) is made (or scheduled to be made) within—

''(I) 60 days before a general, special, or runoff election for such Federal office; or

''(II) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for such Federal office; and

''(iii) is broadcast from a television or radio broadcast station whose audience includes the electorate for such election, convention, or caucus.

''(B) EXCEPTIONS.—Such term shall not include—

''(i) communications appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political committee, or candidate; or

''(ii) communications which constitute expenditures or independent expenditures under this Act.

''(4) DISCLOSURE DATE.—For purposes of this subsection, the term 'disclosure date' means—

''(A) the first date during any calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000; and

''(B) any other date during such calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000 since the most recent disclosure date for such calendar year.

''(5) CONTRACTS TO DISBURSE.—For purposes of this subsection, a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(6) COORDINATION WITH OTHER REQUIREMENTS.—Any requirement to report under this subsection shall be in addition to any other reporting requirement under this Act.''

SEC. 202. COORDINATED COMMUNICATIONS AS CONTRIBUTIONS.

Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended by inserting after clause (ii) the following:

''(iii) if—

''(I) any person makes, or contracts to make, any payment for any electioneering communication (within the meaning of section 304(d)(3)); and

''(II) such payment is coordinated with a candidate or an authorized committee of such candidate, a Federal, State, or local political party or committee thereof, or an agent or official of any such candidate, party, or committee;

such payment or contracting shall be treated as a contribution to such candidate and as an expenditure by such candidate; and''.

SEC. 203. PROHIBITION OF CORPORATE AND LABOR DISBURSEMENTS FOR ELECTIONEERING COMMUNICATIONS.

(a) IN GENERAL.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by inserting ''or for any applicable electioneering communication'' before '', but shall not include''.

(b) APPLICABLE ELECTIONEERING COMMUNICATION.—Section 316 of such Act is amended by adding at the end the following:

''(c) RULES RELATING TO ELECTIONEERING COMMUNICATIONS.—

''(1) APPLICABLE ELECTIONEERING COMMUNICATION.—For purposes of this section, the term 'applicable electioneering communication' means an electioneering communication (within the meaning of section 304(d)(3)) which is made by—

''(A) any entity to which subsection (a) applies other than a section 501(c)(4) organization; or

''(B) a section 501(c)(4) organization from amounts derived from the conduct of a trade or business or from an entity described in subparagraph (A).

''(2) SPECIAL OPERATING RULES.—For purposes of paragraph (1), the following rules shall apply:

''(A) An electioneering communication shall be treated as made by an entity described in paragraph (1)(A) if—

''(i) the entity described in paragraph (1)(A) directly or indirectly disburses any amount for any of the costs of the communication; or

''(ii) any amount is disbursed for the communication by a corporation or organization or a State or local political party or committee thereof that receives anything of value from the entity described in paragraph (1)(A), except that this clause shall not apply to any communication the costs of which are defrayed entirely out of a segregated account to which only individuals can contribute.

''(B) A section 501(c)(4) organization that derives amounts from business activities or from any entity described in paragraph (1)(A) shall be considered to have paid for any communication out of such amounts unless such organization paid for the communication out of a segregated account to which only individuals can contribute.

''(3) DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) the term 'section 501(c)(4) organization' means—

''(i) an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) an organization which has submitted an application to the Internal Revenue Service for determination of its status as an organization described in clause (i); and

''(B) a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(4) COORDINATION WITH INTERNAL REVENUE CODE.—Nothing in this subsection shall be construed to authorize an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 from carrying out any activity which is prohibited under such Code.''

Subtitle B—Independent and Coordinated Expenditures

SEC. 211. DEFINITION OF INDEPENDENT EXPENDITURE.

Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure by a person—

''(A) expressly advocating the election or defeat of a clearly identified candidate; and

''(B) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''

SEC. 212. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(i) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)''; and

(ii) by adding at the end the following:

''(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A).''; and

(B) in paragraph (6)(B), by inserting ''(except an action instituted in connection with a knowing and willful violation of section 304(c))'' after ''subparagraph (A)''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''Any person'' and inserting ''Except as provided in subparagraph (D), any person''; and

(B) by adding at the end the following:

''(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.''.

SEC. 213. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 201) is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C); and

(2) by adding at the end the following:

''(e) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.''.

SEC. 214. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting '', (3), and (4)''; and

(2) by adding at the end the following:

''(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee, on or after the date described in subparagraph (A), has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) APPLICATION.—For purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.''.

SEC. 215. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking ''or'' at the end of clause (i);

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

(iii) by adding at the end the following:

''(iii) coordinated activity (as defined in subparagraph (C)).''; and

(B) by adding at the end the following:

''(C) 'Coordinated activity' means anything of value provided by a person in coordination with a candidate, an agent of the candidate, or the political party of the candidate or its agent for the purpose of influencing a Federal election (regardless of whether the value being provided is a communication that is express advocacy) in which such candidate seeks nomination or election to Federal office, and includes any of the following:

''(i) A payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, the political party of the candidate, or an agent acting on behalf of a candidate, authorized committee, or the political party of the candidate.

''(ii) A payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat).

''(iii) A payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made.

''(iv) A payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position.

''(v) A payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions (other than any discussion treated as a lobbying contact under the Lobbying Disclosure Act of 1995 in the case of a candidate holding Federal office or as a similar lobbying activity in the case of a candidate holding State or other elective office) with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made.

''(vi) A payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate (including services provided through a political committee of the candidate's political party) in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign.

''(vii) A payment made by a person who has directly participated in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate.

''(viii) A payment made by a person who has communicated with the candidate or an agent of the candidate (including a communication through a political committee of the candidate's political party) after the declaration of candidacy (including a pollster, media consultant, vendor, advisor, or staff member acting on behalf of the candidate), about advertising message, allocation of resources, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy.

''(ix) The provision of in-kind professional services or polling data (including services or data provided through a political committee of the candidate's political party) to the candidate or candidate's agent.

''(x) A payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (ix) for a communication that clearly refers to the candidate or the candidate's opponent and is for the purpose of influencing that candidates's election (regardless of whether the communication is express advocacy).

''(D) For purposes of subparagraph (C), the term 'professional services' means polling, media advice, fundraising, campaign research or direct mail (except for mailhouse services solely for the distribution of voter guides as defined in section 431(20)(B)) services in support of a candidate's pursuit of nomination for election, or election, to Federal office.

''(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.''.

(2) SECTION 315(A)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following:

''(B) a coordinated activity, as described in section 301(8)(C), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking ''shall include'' and inserting ''includes a contribution or expenditure, as those terms are defined in section 301, and also includes.''.

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES; FILING BY SENATE CANDIDATES WITH COMMISSION.

(a) USE OF COMPUTER AND FACSIMILE MACHINE.—Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

''(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

''(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

''(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for

verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

(b) SENATE CANDIDATES FILE WITH COMMISSION.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended—

(1) in section 302, by striking subsection (g) and inserting the following:

''(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.''; and

(2) in section 304—

(A) in subsection (a)(6)(A), by striking ''the Secretary or''; and

(B) in the matter following subsection (c)(2), by striking ''the Secretary or''.

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

''(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.''.

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least 4 members of the Commission.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking ''$200'' and inserting ''$50''; and

(2) by striking the semicolon and inserting '', except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;''.

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name; or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a) IN GENERAL.—''; and

(2) by adding at the end the following:

''(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(a)) is amended by adding at the end the following:

''(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person, other than a political committee of a political party or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

''(A) on a monthly basis as described in subsection (a)(4)(B); or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

''(2) ACTIVITY.—An activity is described in this paragraph if it is—

''(A) Federal election activity;

''(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; or

''(C) an activity described in subparagraph (B) or (C) of section 316(b)(2).

''(3) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

''(A) the aggregate amount of disbursements made;

''(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

''(C) the date made, amount, and purpose of the disbursement; and

''(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''(20) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.''.

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

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

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' after ''name''; and

(2) by adding at the end the following:

''(c) Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any broadcast or cablecast communication described in paragraphs (1) or (2) of subsection (a) shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any broadcast or cablecast communication described in paragraph (3) of subsection (a) shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''.

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 101) is amended by adding at the end the following:

''SEC. 324. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

''(a) ELIGIBLE SENATE CANDIDATE.—

''(1) PRIMARY ELECTION.—

''(A) DECLARATION.—A candidate for the office of Senator is an eligible Senate candidate with respect to a primary election if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not exceed the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

''(2) GENERAL ELECTION.—

''(A) DECLARATION.—A candidate for the office of Senator is an eligible Senate candidate with respect to a general election if the candidate files with the Commission—

''(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

''(ii) a declaration that the candidate and the candidate's authorized committees will not exceed the personal funds expenditure limit in connection with the general election.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date on which the candidate qualifies for the general election ballot under State law; or

''(ii) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

''(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Senate candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

''(2) SOURCES.—A source is described in this paragraph if the source is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

''(c) CERTIFICATION BY THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Senate candidate.

''(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Senate candidate.

''(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

''(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

''(d) PENALTY.—If the Commission revokes the certification of an eligible Senate candidate—

''(1) the Commission shall notify the candidate of the revocation; and

''(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).''.

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 214) is amended by adding at the end the following:

''(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for the Senate who is not an eligible Senate candidate (as described in section 324(a)).''.

TITLE V—MISCELLANEOUS

SEC. 501. CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

''(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.—

''(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

''(2) OBJECTION PROCEDURE.—The objection procedure required under paragraph (1) shall meet the following requirements:

''(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

''(i) reasonable personal notice of the objection procedure, the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

''(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

''(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

''(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures; and

''(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

''(3) DEFINITION.—In this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.''.

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

''(a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.''.

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended—

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

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value in connection with a Federal, State, or local election from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or

employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value in connection with a Federal, State, or local election, while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''; and

(2) in subsection (b), by inserting ''or Executive Office of the President'' after ''Congress'' .

SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking ''$5,000'' and inserting ''$10,000''; and

(2) in paragraphs (5)(B) and (6)(C), by striking ''$10,000 or an amount equal to 200 percent'' and inserting ''$20,000 or an amount equal to 300 percent''.

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting '', and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).''.

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) PENALTY FOR LATE FILING.—

''(A) IN GENERAL.—

''(i) MANDATORY MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

''(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by a specific date.

''(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

''(B) FILING AN EXCEPTION.—

''(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

''(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.'';

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: ''In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).''; and

(B) by inserting before the period at the end of the last sentence the following: ''or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)''; and

(3) in paragraph (6)(A), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)(A) or (13)''.

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

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

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election; or

''(B) a contribution or donation to a committee of a political party; or

''(2) for a person to solicit, accept, or receive such contribution or donation from a foreign national.''.

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 401) is amended by adding at the end the following:

''SEC. 326. PROHIBITION OF CONTRIBUTIONS BY MINORS.

An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following:

''(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

''(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

''(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following:

''(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of title 26, United States Code, to the Attorney General of the United States, without regard to any limitation set forth in this section.''.

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''reason to believe that'' and inserting ''reason to investigate whether''.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 60 days after the date of enactment of this Act or January 1, 2000, whichever occurs first.

SEC. 604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 270 days after the effective date of this Act.

By Mr. FEINGOLD (for himself and Mr. HOLLINGS):

S. 27. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to extend and clarify the pay-as-you-go requirements regarding the Social Security trust funds; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

THE SOCIAL SECURITY TRUST FUND PROTECTION ACT OF 1999

Mr. FEINGOLD. Mr. President, I am pleased to join my good friend, the Senator from South Carolina (Mr. HOLLINGS), in offering the Social Security Trust Fund Protection Act of 1999, legislation extending our current PAYGO budget rules, and clarifying that Congress may not use so-called budget surpluses to pay for tax cuts or new spending when those surpluses are really Social Security Trust Fund balances.

Mr. President, as I noted last year when I first offered this measure, it gives me particular pleasure to join with Senator HOLLINGS in introducing this bill.

Both in this body and in the Budget Committee, he has been a leading voice for fiscal prudence.

While popular in theory, fiscal prudence is often less attractive in practice, but Senator HOLLINGS has taken tough positions, even when those positions may not have been politically attractive.

That is the true measure of commitment to honest and prudent budgeting, and I am proud to join him in this effort today.

Mr. President, the bill we are introducing today ensures that the PAYGO rule will continue to require that any new entitlement spending or tax cuts be fully paid for.

Our bill clarifies current PAYGO procedures to remove any doubt that tax cuts or increased spending must continue to be offset.

It extends the PAYGO rule, which currently covers legislation enacted through 2002, until we are no longer using Social Security to mask the deficit.

Under our bill, Congress could not use a so-called surplus until it is real, namely when the budget runs a surplus without using Social Security Trust Funds.

Mr. President, we have entered an era of transition with regard to the Federal budget.

For decades, Congress and the White House ran up huge deficits, producing a mounting national debt.

Over the past few years, we have worked to bring down those deficits.

Those efforts have been successful, in large part, and we are now witnessing something Congress has not seen in 30 years—actually achieving balance in the so-called unified budget.

But, Mr. President, while achieving a balanced unified budget is a significant and encouraging accomplishment, it is not a final victory.

We still have a way to go.

Unfortunately, Mr. President, some do want to declare a final victory, and use any projected unified budget surpluses for increased spending or tax cuts.

But as many have noted on this floor, projected surpluses based on a so-called unified budget are not real.

In fact, far from surpluses, what we really have are continuing on-budget deficits, masked by Social Security revenues.

The distinction is absolutely fundamental.

As I have noted before, the very word ''surplus'' connotes some extra amount or bonus in addition to the funds we need to meet our expenses and obligations.

One dictionary defines ''surplus'' as: ''something more than or in excess of what is needed or required.''

Mr. President, the projected unified budget surplus is not ''more than or in excess of what is needed or required.''

Those funds are needed.

They were raised by the Social Security system, specifically in anticipation of commitments to future Social Security beneficiaries.

Mr. President, let me just note that the problem of using Social Security trust fund balances to mask the real budget deficit is not a partisan issue.

Both political parties have used this accounting gimmick—here in Congress and in the White House.

But it must stop, and this legislation can help us stop it.

Mr. President, budget rules cannot by themselves reduce the deficit, but they can protect what has been achieved and guard against further abuse.

The PAYGO rule governing entitlements and taxes, along with the discretionary spending caps, have kept Congress disciplined and on track.

Mr. President, earlier I said we are in an era of budget transition.

With some hard work this year, we can leave the years of unified budget deficits behind us.

And with some more work, we can move toward real budget balances without using Social Security revenues.

Mr. President, that must be our highest priority.

If Congress does not begin to rid itself of its addiction to Social Security trust fund balances, we will put the benefits of future retirees at serious risk.

Fortunately, Mr. President, we are within reach of the goal of balancing the budget without using the Social Security trust funds.

If we stay the course, and continue the tough, sometimes unpopular work of reducing the deficit, we can give this Nation an honest budget, one that is truly balanced.

And the time to act is now.

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

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

S. 27

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 ''Social Security Trust Fund Protection Act of 1999''.

SEC. 2. EXTENSION AND MODIFICATION OF PAY-AS-YOU-GO REQUIREMENT.

(a) EXTENSION.—

(1) IN GENERAL.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''enacted before October 1, 2002,'' both places it appears.

(2) POINTS OF ORDER.—Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the last sentence.

(b) MODIFICATION.—

(1) DEFINITION.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

''(20) The term 'budget increase' means, for purposes of section 252, an increase in direct spending outlays or a decrease in receipts relative to the baseline, and the term 'budget decrease' means, for purposes of section 252, a decrease in direct spending outlays or an increase in receipts relative to the baseline.''.

(2) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) by striking ''increases the deficit'' and inserting ''results in a net budget increase''; and

(B) by inserting before the period the following: ''except to the extent that the total budget surplus exceeds the social security surplus''.

(3) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in its side heading by inserting ''AND AMOUNT'' after ''TIMING''; and

(B) by striking ''net deficit increase'' and inserting ''net budget increase'' and by adding at the end the following new sentence: ''The requirement of the preceding sentence shall apply for any fiscal year only to the extent that the surplus, if any, before the sequestration required by this section in the total budget (which, notwithstanding section 710 of the Social Security Act, includes both on-budget and off-budget Government accounts) is less than the combined surplus for that year in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.''.

(4) CALCULATING.—Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in its side heading by striking ''DEFICIT INCREASE'' and inserting ''NET BUDGET INCREASE'';

(B) by striking ''deficit increase or decrease'' the first place it appears and inserting ''any net budget increase''; and

(C) by striking ''any net deficit increase or decrease in the current year resulting from''.

(5) ELIMINATING.—The side heading of section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''DEFICIT INCREASE'' and inserting ''NET BUDGET INCREASE''.

By Mr. HATCH (for himself, Mr. BINGAMAN, and Mr. BENNETT):

S. 28. A bill to authorize an interpretive center and related visitor facilities within the Four Corners Monument Tribal Park, and for other purposes; to the Committee on Energy and Natural Resources.

FOUR CORNERS MONUMENT INTERPRETIVE CENTER ACT

Mr. HATCH. Mr. President, I rise today to the introduce the Four Corners Monument Interpretive Center Act. The Four Corners is the only location in our nation where the boundaries of four states meet at one point.

Each year more than a quarter of a million visitors from around the world brave heat and discomfort to visit the Four Corners. This legislation will provide basic amenities to these travelers and provide an important economic opportunity for the Indian Nations who share the Four Corners area.

The Four Corners area is unique for reasons other than the makeup of its political boundaries. This location was home to some of the earliest Americans, the Anasazi people. Little known

about this ancient people, but the Four Corners area contains many of the clues left behind to help us learn about their society. This heritage has created an area of rich historical, archeological, and cultural significance as well as natural beauty.

In more recent history, in 1949, the Governors of Arizona, Colorado, New Mexico, and Utah met at the Four Corners Monument for a historic meeting. Each Governor sat in his state's corner and ate a picnic lunch together. The governors pledged to meet every so often to reaffirm their commitment to working together for the good of the four states and for the Four Corners region. This year marks the 50th anniversary of that historic meeting. I think we should reaffirm their commitment to cooperation by establishing this center that will promote opportunity in this region.

This legislation is important for the Navajo Nation and the Mountain Utes who share control of the existing Four Corners Monument. And, we must be clear what we mean by ''monument.'' In contrast to the 1.7 million acre Grand Staircase Escalante National Monument recently declared by President Clinton, the ''monument'' that marks the spot at Four Corners is a simple concrete disk containing the four states' seals.

Native Americans have set up small open air stalls around the monument to exhibit and sell their native crafts. But, there is no electricity, no running water, no permanent restroom facilities, and no phone service in the area.

The interpretive center provided by this legislation would not only assist these Native Americans economically, but it would provide a valuable resource to visitors who would like to learn more about the culture, history, and environment of the Four Corners region.

Mr. President, I wish to emphasize that this bill reflects the initiative of the local tribes and elected officials. This is not a federal imposition, but federal support of sustainable economic development in an area that is in desperate need of it. The Four Corners Heritage Council, which is comprised of tribal leaders, local government and private sectors leaders, has been instrumental in developing this bill.

Not only will the interpretive center benefit the local tribes, but it will help to create more interest among tourists of other attractions and sites in the entire Four Corners region. Within a 100 mile radius of the monument there are multiple sites and parks for the enjoyment of tourists, such as Zion National Park, Arches National Park, the Grand Canyon, Rainbow Bridge, Hovenweep, Mesa Verde, and much, much, more. Because of its central location, the center would act as a staging ground for the entire Colorado Plateau.

That this proposal reflects the needs of so many in the area, is reflected by the strong support among all the region's tribal and local governments, and the San Juan Forum, which represents federal state and local interests in the four states. The Albuquerque Tribune editorialized last year that ''the project merits New Mexico's strong support.'' The state of Arizona has already set aside $250,000 for their share of the project. In addition, the Arizona Department of Transportation has produced draft plans for the new center and for the road changes that would be required. The other states have also shown interest as well, which is important as they will be required to match the $2 million authorized by this bill for the project.

Mr. President, this bill represents cooperation of federal, state, local, and tribal governments in an effort to reaffirm our ties to our past while building for our future. I urge my colleagues to give this proposal their full support.

Mr. BINGAMAN. Mr. President, I am pleased to speak in support of this important legislation being introduced today by my friend from Utah, Senator HATCH. The bill authorizes the construction of a much needed interpretive visitor center at the Four Corners Monument. An identical bill passed the Senate unanimously last September.

As I am sure all Senators know, the Four Corners is the only place in America where the boundaries of four states meet in one spot. The monument is located on the Navajo and Ute Mountain Ute Reservations and currently operated as a Tribal Park.

Nearly a quarter of a million people visit this unique site every year. However, currently there are no facilities for tourists at the park and nothing that explains the very special features of the Four Corners region. This bill authorizes the Department of the Interior to contribute $2 million toward the construction of an interpretive center and basic facilities for visitors.

Mr. President, the Four Corners Monument is more than a geographic curiosity. It also serves as a focal point for some of the most beautiful landscape and significant cultural attractions in our country. An interpretive center will help visitors appreciate the many special features of the region. For example, within a short distance of the monument are the cliff dwellings of Mesa Verde, Colorado; the Red Rock and Natural Bridges areas of Utah; and in Arizona, Monument Valley and Canyon de Chelly. The beautiful San Juan River, one of the top trout streams in the Southwest, flows through Colorado, New Mexico, and Utah.

In my state of New Mexico, both the legendary mountain known as Shiprock and the Chaco Canyon Culture National Historical Park are a short distance from the Four Corners.

Mr. President, Shiprock is one of the best known and most beautiful landmarks in New Mexico. The giant volcanic monolith rises nearly 2000 feet straight up from the surrounding plain. Ancient legend tells us the mountain was created when a giant bird settled to earth and turned to stone. In the Navajo language, the mountain is named Tse' bi t' ai or the Winged Rock. Early Anglo settlers saw the mountain's soaring spires and thought they resembled the sails of a huge ship, so they named it Shiprock.

The Four Corners is also the site of Chaco Canyon. Chaco was an important Anasazi cultural center from about 900 through 1130 A.D. Pre-Columbian civilization in the Southwest reached its greatest development there. The massive stone ruins, containing hundreds of rooms, attest to Chaco's cultural importance. As many as 7,000 people may have lived at Chaco at one time. Some of the structures are thought to house ancient astronomical observatories to mark the passage of the seasons. The discovery of jewelry from Mexico and California and a vast network of roads is evidence of the advanced trading carried on at Chaco. Perhaps, the most spectacular accomplishment at Chaco was in architecture. Pueblo Bonito, the largest structure, contains more than 800 rooms and 32 kivas. Some parts are more than five stories high. The masonry work is truly exquisite. Stones were so finely worked and fitted together that no mortar was needed. Remarkably, all this was accomplished without metal tools or the wheel.

Mr. President, 1999 marks the centennial year of the first monument at the Four Corners. An interpretive center is urgently needed today to showcase the history, culture, and scenery of this very special place. New facilities at the monument will attract visitors and help stimulate economic development throughout the region.

The legislation the Senate passed last year had wide-spread support from state, tribal, and local interests.

Mr. President, I hope the Senate will again take prompt action on this bill. I also urge the House to move forward this year to pass this important legislation. I am pleased to co-sponsor this bill with Senator HATCH, and I thank him for his efforts.

Mr. President, I ask unanimous consent that a May 7, 1998, editorial from the Albuquerque Tribune be printed in the RECORD.

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

[From the Albuquerque Tribune, May 7, 1998]

FOUR CORNERS VISITORS CENTER—AND BEYOND

When scheming to promote tourism, four heads are better than one.

New Mexico, Utah, Arizona and Colorado have an opportunity to create the proposed $4 million Four Corners visitors center. The project merits New Mexico's strong support.

The Tribune has liked the idea of forging a four-state regional alliance for tourism ever

since former Interior Secretary Stewart Udall proposed his ''America's Scenic Circle'' plan on these pages June 18. He argued that New Mexico, Utah, Arizona, Colorado and the Indian tribes in those states should reach out to the international tourism market by joining forces. The cultural and natural attractions in these states, taken individually, have great appeal, he said—but nothing like they would if touted together in respectful and tastefully designed packages.

The Trib revisited the idea of regional tourism alliances again in the Insight & Opinion section April 30. There, state and Albuquerque tourism officials explained how such alliances could boost the effect of New Mexico's tourism-marketing dollars.

The Four Corners visitors center would become a strong footing for a four-state alliance.

It would be built at the Four Corners Monument Tribal Park, where the four states meet. The exact site and design are undetermined, and the Navajo and Ute tribes would have a say in the development. We hope the design physically binds the four states together. There is no visitors center at Four Corners now.

The center was proposed by Utah Sen. Orrin Hatch last week in a bill co-sponsored by Sen. Jeff Bingaman. Half of the $4 million cost would be paid with federal tax dollars. The remainder would be split among the four states—giving each a deep stake in the project.

The purpose of the center is to clearly interpret, showcase and promote the special features of the region, from Shiprock and Chaco Canyon in New Mexico to Mesa Verde in Colorado to Red Rock in Utah to Monument Valley in Arizona. Every state and tribe involved would benefit.

The bill does not say so, but the center also could become the focus for continuing, broader relationships along the lines that Udall proposed. It commits the four states to working with one another at least in the Four Corners area; it's not a quantum leap from that to ''America's Scenic Circle.''

Let's use our four heads and support this move.

By Mr. INOUYE:

S. 29. A bill to amend section 1086 of title 10, United States Code, to provide for payment under CHAMPUS of certain health care expenses incurred by certain members and former members of the uniformed services and their dependents to the extent that such expenses are not payments under medicare, and for other purposes; to the Committee on Armed Services.

THE CAMPUS AMENDMENT ACT OF 1999

Mr. INOUYE. Mr. President, I feel that it is imperative that our nation continue its firm commitment to those individuals and their families who have served in the Armed Forces and made us the great nation we are today. As this population ages, there is a need for a wider range of health services, some of which are simply not available under Medicare. These individuals made a commitment to their nation, trusting that when they needed help the nation would honor that commitment. The bill I am introducing today would ensure the highest possible quality of care for these dedicated citizens and their families by authorizing payment under CHAMPUS of certain health care expenses to the extent such expenses are not payable under Medicare.

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

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

S. 29

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

SECTION 1. EXPANSION OF MEDICARE EXCEPTION TO THE PROHIBITION OF CHAMPUS COVERAGE FOR CARE COVERED BY ANOTHER HEALTH CARE PLAN.

(a) AMENDMENT AND REORGANIZATION OF EXCEPTIONS.—Subsection (d) of section 1086 of title 10, United States Code, is amended to read as follows:

''(d)(1) Section 1079(j) of this title shall apply to a plan contracted for under this section except as follows:

''(A) Subject to paragraph (2), a benefit may be paid under such plan in the case of a person referred to in subsection (c) for items and services for which payment is made under title XVIII of the Social Security Act.

''(B) No person eligible for health benefits under this section may be denied benefits under this section with respect to care or treatment for any service-connected disability which is compensable under chapter 11 of title 38 solely on the basis that such person is entitled to care or treatment for such disability in facilities of the Department of Veterans Affairs.

''(2) If a person described in paragraph (1)(A) receives medical or dental care for which payment may be made under both title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and a plan contracted for under subsection (a), the amount payable for that care under the plan may not exceed the difference between—

''(A) the sum of any deductibles, coinsurance, and balance billing charges that would be imposed on the person if payment for that care were made solely under that title; and

''(B) the sum of any deductibles, coinsurance, and balance billing charges that would be imposed on the person if payment for that care were made solely under the plan.

''(3) A plan contracted for under this section shall not be considered a group health plan or large group health plan for the purposes of paragraph (2) or (3) of section 1862(b) of the Social Security Act (42 U.S.C. 1395y(b)).

''(4) A person who, by reason of the application of paragraph (1), receives a benefit for items or services under a plan contracted for under this section shall provide the Secretary of Defense with any information relating to amounts charged and paid for the items and services that, after consulting with the other administering Secretaries, the Secretary requires. A certification of such person regarding such amounts may be accepted for the purposes of determining the benefit payable under this section.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Such section is further amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 2. CONFORMING AMENDMENT.

Section 1713(d) of title 38, United States Code, is amended by striking out ''section 1086(d)(1) of title 10 or''.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect with respect to health care items or services provided on and after the date of enactment of this Act.

By Mr. THURMOND:

S. 31. A bill to amend title 1, United States Code, to clarify the effect an application of legislation; to the Committee on the Judiciary.

TO CLARIFY THE APPLICATION AND EFFECT OF LEGISLATION

Mr. THURMOND. Mr. President, I rise today to introduce a bill to clarify the application and effect of legislation which the Congress enacts.

My act is simple and straightforward. It provides that unless future legislation expressly states otherwise, new enactments shall be applied prospectively and shall not create private rights of action. This will significantly reduce unnecessary litigation and court costs, and will benefit both the public and our judicial system.

The purpose of this legislation is to tackle a persistent problem that is easy to prevent. When Congress enacts a bill, the legislation often does not indicate whether it is to be applied retroactively or whether it creates private rights of action. The failure of the Congress to address these issues in each piece of legislation results in unnecessary confusion and uncertainty. This uncertainty leads to lawsuits, thereby contributing to the high cost of litigation and the congestion of our courts.

In the absence of clear action by the Congress on its intent regarding these critical threshold questions, the outcome is left up to the courts. Whether a law applies to conduct that occurred before the effective date of the Act and whether a private person has been granted the right to sue on their own behalf in civil court under an Act can be critical or even dispositive of a case. Even if the issue is only one aspect of a case and it is raised early in a lawsuit, a decision that the lawsuit can proceed generally cannot be appealed until the end of the case. If the appellate court eventually rules that one of these issues should have prevented the trial, the litigants have been put to substantial burden and unnecessary expenses which could have been avoided.

Currently, courts attempt to determine the intent of the Congress in deciding the effect and application of legislation in this regard. Thus, courts look first and foremost to the statutory language. If a statute expressly provides that it is retroactive or creates a private cause of action, that dictate is followed. Further, courts apply a presumption that legislation is not retroactive. This is an entirely appropriate, longstanding rule because, absent mistake or an emergency, fundamental fairness generally dictates that conduct should be assessed under the

rules that existed at the time the conduct took place. There is a similar presumption that the Congress did not intend to create rights beyond those that it expressly includes in its legislation.

If the intent of Congress is not clear from the statute, courts generally look to legislative history, statutory structure, and possible other sources of Congressional intent. This is where the unnecessary complexity and confusion is created. Sources other than statutory language are to varying degrees less reliable in predicting Congressional intent. They are much more difficult to interpret and may even be contradictory. The more sources for the courts to analyze and the more vague the standard for review, the more likely courts will reach different results. Under current practice, trial courts around the country reach conflicting and inconsistent results on these issues, as do appellate courts when the issues are appealed.

The problem of whether legislation is retroactive was dramatically illustrated after the passage of the Civil Rights Act of 1991. District courts and courts of appeal all over the country were required to resolve whether the 1991 Act should be applied retroactively, and the issue ultimately was considered by the Supreme Court. However, by the time the Court resolved the issue in 1994, well over 100 lower courts had ruled on this question and, although most had not found retroactivity, their decisions were inconsistent. Countless litigants across the country expended substantial resources debating this threshold procedural issue.

All this litigation arose from a statute that contained no language providing that it be retroactive. To conclude that the provision of the statute in issue in the case was not to be applied retroactively, the majority opinion of the Court took 39 pages in the United States Reporter to explain why. It undertook a detailed analysis that demonstrates the unnecessary complexity of the current standard. It is no wonder that some Supreme Court justices argued in this case that a court should look only to whether the language of the statute expressly provides for retroactivity. That is what I propose. If my law has been in effect, the litigation would have been averted, while the outcome would have been exactly the same as the Supreme Court decided.

Under my bill, newly enacted laws are not to be applied retroactively and do not create a private right of action, unless the legislation expressly provides otherwise. It is important to note that my bill does not in any way restrict the Congress on these important issues. The Congress may override this presumption or create new private rights of action.

One United States District Judge in my State informs me that he spends at least 10 percent of his time on these issues. It is clear that this legislation would save litigants and our judicial system millions of dollars by avoiding a great deal of uncertainty and litigation.

Mr. President, if we are truly concerned about relieving the backlog of cases in our courts and reducing the costs of litigation, we should help our judicial system to focus its limited time and resources on resolving the merits of disputes, rather than deciding these preliminary matters. We hear numerous complaints about overworked judges and crowded dockets. This is a simple and straightforward way to do something about it. The Congress can help reduce the Federal caseload and help simplify the law. We should act on this important reform promptly.

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

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

S. 31

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

SECTION 1. RULE OF CONSTRUCTION RELATING TO RETROACTIVE APPLICATION OF STATUTES AND THE CREATION OF PRIVATE CLAIMS AND CAUSES OF ACTION.

(a) IN GENERAL.—Chapter 1 of title 1, United States Code, is amended by adding at the end the following:

"§ 8. Rules for determining the retroactive effect of legislation and the creation of private claims and causes of action

''(a) Unless a provision included in the Act expressly specifies otherwise, any Act of Congress enacted after the effective date of this section shall—

''(1) be prospective in application only; and

''(2) not create a private claim or cause of action.

''(b) In applying subsection (a)(1), a court shall determine the relevant retroactivity event in an Act of Congress (if such event is not specified in such Act) for purposes of determining if the Act—

''(1) is prospective in application only; or

''(2) affects conduct that occurred before the effective date of the Act.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 1 of title 1, United States Code, is amended by adding after the item relating to section 7 the following:

''8. Rules for determining the retroactive effect of legislation and the creation of private claims and causes of action.''.

By Mr. THURMOND:

S. 32. A bill to eliminate a requirement for a unanimous verdict in criminal trials in Federal courts; to the Committee on the Judiciary.

LEGISLATION TO ALLOW FEDERAL CRIMINAL CONVICTION ON A 10–2 JURY VOTE

Mr. THURMOND. Mr. President, I rise today to introduce legislation to allow juries to convict criminals on a 10–2 jury vote rather than a unanimous vote.

It is my belief that this change to the Federal Rules of Criminal Procedure will bring about increased efficiency and finality in our Nation's Federal court system while maintaining the integrity of the pursuit of justice.

This legislation is consistent with the Supreme Court ruling concerning unanimity injury verdicts, specifically in *Apodaca* v. *Oregon* [406 U.S. 404 (1972)]. In that case, the Supreme Court ruled that the Sixth Amendment guarantee of a jury trial does not require that the jury's vote be unanimous. The Supreme Court affirmed an Oregon law that permitted what I am proposing—a 10–2 conviction in criminal prosecutions.

Mr. President, clearly there is no constitutional mandate for the current requirement under the Federal Rules of a jury verdict by a unanimous vote. The origins of the unanimity rule are not easy to trace, although it may date back to the latter half of the 14th century. One theory proffered is that defendants had few other rules to ensure a fair trial and a unanimous jury vote for conviction compensated for other inadequacies at trial. Of course, today the entire trial process is heavily tilted towards the accused with many, many safeguards in place to ensure that the defendant receives a fair trial.

Its interesting that a unanimity requirement was considered by our Founding Fathers as part of the Sixth Amendment to the Constitution, but it was rejected. The proposed language for the Sixth Amendment, as introduced by James Madison in the House of Representatives, provided for trial by jury as well as a ''requisite of unanimity for conviction.'' The language eventually adopted by the Congress and the States in the Sixth Amendment provides ''the right to a speedy and public trial, by an impartial jury,'' but does not specify any requirement on conviction. This was a wise decision.

It is clear that ''trial by jury in criminal cases is fundamental to the American scheme of justice,'' as the Supreme Court has stated. Juries are representative of the community and their solemn duty is to hear the evidence, deliberate, and decide the case after careful review of the facts and the law. As the Supreme Court has noted, a jury can responsibly perform this function if allowed to decide the case by a margin that is less than unanimous.

This change for jury verdicts in the Federal courts will reduce the likelihood of a single juror corrupting an otherwise thoughtful and reasonable deliberation of the evidence. It is not easy to adequately screen a juror for potential bias before they are selected to serve on a jury. This cannot be done with absolute certainty. We should work to prevent one such juror from having the power to prevent justice from being served.

One juror should not have the power to allow a criminal to go free in the face of considerable opposition from his peers on the jury. Even if a defendant is tried again after one or two jurors hold out against conviction, a new trial is very costly and time-consuming. Most importantly, a new trial substantially delays justice for the victims and society.

It is important to note that this new rule could also work to the advantage of someone on trial. Currently, if there is a hung jury, a prosecutor has the power to retry a defendant. This is true even if only one juror believed the defendant was guilty. Under this new rule, if at least ten jurors concluded that the defendant was not guilty, he would be acquitted and could not be forced to endure a new trial. This rule has the potential to benefit either side as it brings finality to a criminal case.

In other words, there are cases where a requirement of unanimity produced a hung jury where, had there been a non-unanimous allowance, the jury would have voted to convict or acquit. Yet, in either instance, the defendant is accorded his constitutional right of a judgment by his peers. It is my firm belief that this legislation will not undermine the pillars of justice or result in the conviction of innocent persons.

Moreover, I believe the American people will strongly support this reform to allow a 10–2 decision. This is one way the Congress can help fight crime and promote criminal justice.

Mr. President, I hope the Congress will support this important proposal. I ask unanimous consent that the bill be printed in its entirety in the RECORD.

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

S. 32

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

SECTION 1. AMENDMENT OF RULE 31 OF THE FEDERAL RULES OF CRIMINAL PROCEDURES.

(a) IN GENERAL.—Rule 31(a) of the Federal Rules of Criminal Procedure is amended by striking ''unanimous'' and inserting ''by five-sixths of the jury''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to cases pending or commenced on or after the date of enactment of this Act.

By Mr. THURMOND (for himself and Mr. HELMS)

S. 33. A bill to amend title II of the Americans with Disabilities Act of 1990 and section 504 of the Rehabilitation Act of 1973 to exclude prisoners from the requirements of that title and section; to the Committee on Health, Education, Labor, and Pensions.

THE STATE AND LOCAL PRISON RELIEF ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to address an undue burden that has arisen out of the Americans with Disabilities Act.

The purpose of the ADA was to give disabled Americans the opportunity to fully participate in society and contribute to it. This was a worthy goal. But even legislation with the best of intentions often has unintended consequences. I submit that one of those is the application of the ADA to state and local prisoners throughout America.

Last year, the Supreme Court ruled in *Pennsylvania Department of Corrections* v. *Yeskey* [118 S.Ct. 1952 (1998)] that the ADA applied to every state prison and local jail in this country. To no avail, the Attorneys General of most states, as well as numerous state and local organizations, had joined with Pennsylvania in court filings to oppose the ADA applying to prisoners.

Prior to the Supreme Court ruling, the circuit courts were split on the issue. The Fourth Circuit Court of Appeals, my home circuit, had forcefully concluded that the ADA, as well as its predecessor and companion law, the Rehabilitation Act, did not apply to state prisoners. The decision focused on federalism concerns and the fact that the Congress did not make clear that it intended to involve itself to this degree in an activity traditionally reserved to the States.

However, the Supreme Court did not agree, holding that the language of the Act is broad enough to clearly cover state prisons. It is not an issue on the Federal level because the Federal Bureau of Prisons voluntarily complies with the Act. The Supreme Court did not say whether applying the ADA to state prisons exceeded the Congress' powers under the Commerce Clause or the Fourteenth Amendment, but we should not wait on the outcome of this argument to act. Although it was rational for the Supreme Court to read the broad language of the ADA the way it did, it is far from clear that we in the Congress considered the application of this sweeping new social legislation in the prison environment.

The Seventh Circuit has recognized that the ''failure to exclude prisoners may well have been an oversight.'' The findings and purpose of the law seem to support this. The introductory language of the ADA states, ''The Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency'' to allow ''people with disabilities . . . to compete on an equal basis and to pursue those opportunities for which our free society is justifiably famous.'' Of course, a prison is not a free society, as the findings and purpose of the Act envisioned. Indeed, it is quite the opposite. In short, as the Ninth Circuit explained, ''The Act was not designed to deal specifically with the prison environment; it was intended for general societal application.''

In any event, now that the Supreme Court has spoken, it is time for the Congress to confront this issue. The Congress should act now to exempt state and local prisons from the ADA. That is why I am introducing the State and Local Prison Relief Act, as I did soon after the Supreme Court decided the *Yeskey* case last year.

The State and Local Prison Relief Act would exempt prisons from the requirements of the ADA and the Rehabilitation Act for prisoners. More specifically, it exempts any services, accommodations, programs, activities or treatment of any kind regarding prisoners that may otherwise be required by the Acts. Through this language, which I have slightly revised since introducing the bill last year, I wish to make entirely clear that the bill is not intended to exempt prisons from having to accommodate disabled legal counsel, visitors, or others who are not inmates. Also, the fact that the bill applies to Title II of the ADA should make clear that it is not intended to exempt prison hiring practices for non-inmate employees. The bill is intended only to apply to prisoners.

I firmly believe that if we do not act, the ADA will have broad adverse implications for the management of penal institutions. Prisoners will file an endless number of lawsuits demanding special privileges, which will involve Federal judges in the intricate details of running our state and local prisons.

Mr. President, we should continuously remind ourselves that the Constitution created a Federal government of limited, enumerated powers. Those powers not delegated to the Federal government were reserved to the states or the people. As James Madison wrote in Federalist No. 45, ''the powers delegated to the Federal government are few and definite. . . . [The powers] which are to remain in the State governments are numerous and indefinite.'' The Federal government should avoid intrusion into matters traditionally reserved for the states. We must respect this delicate balance of power. Unfortunately, federalism is more often spoken about than respected.

Although the entire ADA raises federalism concerns, the problem is especially acute in the prison context. There are few powers more traditionally reserved for the states than crime. The criminal laws have always been the province of the states, and the vast majority of prisoners have always been housed in state prisons. The First Congress enacted a law asking the states to house Federal prisoners in their jails for fifty cents per month. The first Federal prison was not built until over 100 years later, and only three existed before 1925.

Even today, as the size and scope of the Federal government has grown immensely, only about 6% of prisoners are housed in Federal institutions. Managing that other 94% is a core state function. As the Supreme Court

has stated, ''Maintenance of penal institutions is an essential part of one of government's primary functions—the preservation of societal order through enforcement of the criminal law. It is difficult to imagine an activity in which a State has a stronger interest, or one that is more intricately bound up with state laws, regulations, and procedures.''

The primary function of prisons is to house criminals. Safety and security are the overriding concerns of prison administration. The rules and regulations, the daily schedules, the living and working arrangements—these all revolve around protecting prison employees, inmates, and the public. But the goal of the ADA is to take away any barrier to anyone with any disability. Accommodating inmates in the manner required by the ADA will interfere with the ability of prison administrators to keep safety and security their overriding concern.

For example, a federal court in Pennsylvania ruled that a prisoner who disobeyed a direct order could not be punished because of the ADA. The judge said it was okay for a prisoner to return to his cell after he was told not to by a guard, saying the prisoner was justified in refusing to comply because he was doing so to relieve stress built up due to his Tourette's Syndrome.

The practical effect of the ADA will be that prison officials will have to grant special privileges to certain inmates and to excuse others from complying with generally-applicable prison rules. For example, a federal judge ordered an Iowa prison to install cable TV in a disabled inmate's cell because the man had difficulty going to the common areas to watch TV. After much public protest, the ruling was eventually reversed.

The ADA presents a perfect opportunity for prisoners to try to beat the system, and use the courts to do it. There are over 1.7 million inmates in state prisons and local jails, and the numbers are rising every year. Indeed, the total prison population has grown about 6.5% per year since 1990. Prisons have a substantially greater percentage of persons with disabilities that are covered by the ADA than the general population, including AIDS, mental retardation, psychological disorders, learning disabilities, drug addiction, and alcoholism. Further, administrators control every aspect of prisoners' lives, such as assigning educational opportunities, recreation, and jobs in prison industries. Combine these facts, and the possibilities for lawsuits are endless.

For example, in most state prison systems, inmates are classified and assigned based in part on their disabilities. This helps administrators meet the disabled inmates' needs in a cost-effective manner. However, under the ADA, prisoners probably will be able to claim that they must be assigned to a prison without regard to their disability. Were it not for their disability, they may have been assigned to the prison closest to their home, and in that case, every prison would have to be able to accommodate every disability. That could mean every prison having, for example, mental health treatment centers, services for hearing-impaired inmates, and dialysis treatment. The cost is potentially enormous.

A related expense is attorney's fees. The ADA has incentives to encourage private litigants to vindicate their rights in court. Any plaintiff, including an inmate, who is only partially successful can get generous attorney's fees and monetary damages, possibly including even punitive damages. In an ongoing ADA class action lawsuit in California, the state has paid the prisoners' attorneys over $2 million, with hourly fees as high as $300.

Applying the ADA to prisons is the latest unfunded Federal mandate that we are imposing on the states.

Adequate funding is hard for prisons to achieve, especially in state and local communities where all government funds are scarce. The public is angry about how much money must be spent to house prisoners. Even with prison populations rising, the people do not want more of their money spent on prisoners. Often, there is simply not enough money to make the changes in challenged programs to accommodate the disabled. If prison administrators do not have the money to change a program, they will probably have to eliminate it. Thus, accommodation could mean the elimination of worthwhile educational, recreational, and rehabilitative programs, making all inmates worse off.

Apart from money, accommodation may mean modifying the program in such a way as to take away its beneficial purpose. A good example is the Supreme Court's *Yeskey* case itself. Yeskey was declared medically ineligible to participate in a boot camp program because he had high blood pressure. So, he sued under the ADA. The boot camp required rigorous physical activity, such as work projects. If the program has to be changed to accommodate his physical abilities, it may not meet its basic goals, and the authorities may eliminate it. Thus, the result could be that everyone loses the benefit of an otherwise effective correctional tool.

Another impact of the ADA may be to make an already volatile prison environment even more difficult to control. Many inmates are very sensitive to the privileges and benefits that others get in a world where privileges are relatively few. Some have irrational suspicions and phobias. An inmate who is not disabled may be angry if he believes a disabled prisoner is getting special treatment, without rationally accepting that the law require it, and could take out his anger on others around him, including the disabled prisoner.

We must keep in mind that it is judges who will be making these policy decisions. To apply the Act and determine what phrases like ''qualified individual with a disability'' mean, judges must involve themselves in intricate, fact-intensive issues. Essentially, the ADA requires judges to micromanage prisons. Judges are not qualified to second-guess prison administrators and make these complex, difficult decisions. Prisons cannot be run by judicial decree.

In applying Constitutional rights to prisoners, the Supreme Court has tried to get away from micromanagement and has viewed prisoner claims deferentially in favor of the expertise of prison officials. It has stated that we will not ''substitute our judgment on difficult and sensitive matters of institutional administration for the determinations of those charged with the formidable task of running a prison. This approach ensures the ability of corrections officials to anticipate security problems and to adopt innovative solutions to the intractable problems of prison administration, and avoids unnecessary intrusion of the judiciary into problems particularly ill suited to resolution by decree.''

Take for example a case from the Fourth Circuit, my home circuit, from 1995. The Court explained that a morbidly obese inmate presented corrections officials ''with a lengthy and ever-increasing list of modifications which he insisted were necessary to accommodate his obese condition. Thus, he demanded a larger cell, a cell closer to support facilities, handrails to assist him in using the toilet, wider entrances to his cell and the showers, non-skid matting in the lobby area, and alternative outdoor recreational activities to accommodate his inability to stand or walk for long periods.'' It is not workable for judges to resolve all of these questions.

It is noteworthy that a primary purpose of the Prison Litigation Reform Act was to stop judges from micromanaging prisons and to reduce the burdens of prison litigation. As the Chief Justice of the Supreme Court recognized last year, the PLRA is having some success. However, this most recent Supreme Court decision will hamper that progress.

Moreover, the ADA delegated to Federal agencies the authority to create regulations to implement the law. In response, the Federal bureaucracy has created extremely specific and detailed mandates. Regarding facilities, they dictate everything from the number of water fountains to the flash rates of visual alarms. State and local correctional authorities must fall in line behind these regulations. In yet another

way, we have the Justice Department exercising regulatory oversight over our state and local communities.

Prisons are fundamentally different from other places in society. Prisoners are not entitled to all of the rights and privileges of law-abiding citizens, but they often get them. They have cable television. They have access to better gyms and libraries than most Americans. The list goes on.

The public is tired of special privileges for prisoners. Applying the ADA to prisons is a giant step in the wrong direction. Prisoners will abuse the ADA to get privilege they were previously denied, and the reason will be the overreaching hand of the Federal government. We should not let this happen.

Mr. President, the National Government has gone full circle. We have gone from asking the states to house Federal prisoners to dictating to the states how they must house their own prisoners. There must be some end to the powers of the Federal government, and to the privileges it grants the inmates of this Nation. I propose that we start by passing this important legislation.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 33

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

SECTION 1. EXCLUSION OF PRISONERS.

(a) AMERICANS WITH DISABILITIES ACT OF 1990.—Section 201(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131(2)) is amended by adding at the end the following: ''The term shall not include a prisoner in a prison, as such terms are defined in section 3626(g) of title 18, United States Code, with respect to services, programs, activities, and treatment (including accommodations) relating to the prison.''.

(b) REHABILITATION ACT OF 1973.—Paragraph (20) of section 7 of the Rehabilitation Act of 1973 (as redesignated in section 402(a)(1) of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1999) is amended—

(1) by redesignating subparagraph (G) as subparagraph (H); and

(2) by inserting after subparagraph (F) the following:

''(G) PRISON PROGRAMS AND ACTIVITIES; EXCLUSION OF PRISONERS.—For purposes of section 504, the term 'individual with a disability' shall not include a prisoner in a prison, as such terms are defined in section 3626(g) of title 18, United States Code, with respect to programs and activities (including accommodations) relating to the prison.''.

By Mr. THURMOND:

S. 34. A bill to amend title 28, United States Code, to clarify the remedial jurisdiction of inferior Federal courts; to the Committee on the Judiciary.

THE JUDICIAL TAXATION PROHIBITION ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to prohibit Federal judges from imposing a tax increase as a judicial remedy.

It has always been my firm belief that Federal judges exceed the boundaries of their limited jurisdiction under the Constitution when they order new taxes or order increases in existing tax rates.

The Founding Fathers clearly understood that taxation was a role for the legislative branch and not the judicial branch. Article I of the Constitution lists the legislative powers, one of which is that ''the Congress shall have the power to lay and collect taxes.'' Article III establishes the judicial powers, and the power to tax is nowhere contained in Article III.

The Federalist Papers are also clear in this regard. In Federalist No. 48, James Madison explained that ''the legislative branch alone has access to the pockets of the people.'' In Federalist No. 78, Alexander Hamilton stated, ''The judiciary . . . has no influence over . . . the purse, no direction either of the strength or of the wealth of the society, and can take no active resolution whatever.''

In 1990, in the case of *Missouri* v. *Jenkins,* five members of the Supreme Court stated in *dicta* that although a Federal judge could not directly raise taxes, he could order the local government to raise taxes. There is no difference between a judge raising taxes and a judge ordering a legislative official to raise taxes. I am hopeful that, if the issue were directly before the Court today, a majority of the current membership of the Court would reject that *dicta* and hold that Federal judges do not have the power to order that taxes be raised. However, in the event the Court does not correct this error, I am introducing the Judicial Taxation Prohibition Act, which would prohibit judges from raising taxes. I have introduced it in every Congress since the Supreme Court's misguided decision was issued, and I intend to do so until it is corrected. This legislation is essential to affirm the separation of powers.

There is a simple reason why this distinction between the branches of government is so important and must remain clear. The legislative branch is responsible to the people through the democratic process. However, the judicial branch is composed of individuals who are not elected and have life tenure. By design, the members of the judicial branch do not depend on the popular will for their offices. They are not accountable to the people. They simply have no business setting the rate of taxes the people must pay. For a judge to order that taxes be increased amounts to taxation without representation. It is entirely contrary to the understanding of the Founding Fathers.

The phrase ''taxation without representation'' recalls an important time in America history that is worth repeating in some detail. The Constitution can best be understood by referencing the era in which it was adopted.

Not since Great Britain's ministry of George Grenville in 1765 have the American people faced the assault of taxation without representation as now authorized in the *Jenkins* decision. As part of his imperial reforms to tighten British control in the colonies, Grenville pushed the Stamp Act through the Parliament in 1765. This Act required excise duties to be paid by the colonists in the form of revenue stamps affixed to a variety of legal documents. This action came at a time when the colonies were in an uproar over the Sugar Act of 1764 which levied duties on certain imports such as sugar, indigo, coffee, linens.

The ensuing firestorm of debate in America centered on the power of Britain to tax the colonies. James Otis, a young Boston attorney, echoed the opinion of most colonists stating that the Parliament did not have power to tax the colonies because Americans had no representation in that body. Mr. Otis had been attributed in 1761 with the statement that ''taxation without representation is tyranny.''

In October 1765, delegates from nine states were sent to New York as part of the Stamp Act Congress to protest the new law. It was during this time that John Adams wrote in opposition to the Stamp Act, ''We have always understood it to be a grand and fundamental principle . . . that no freeman shall be subject to any tax to which he has not given his own consent, in person or by proxy.'' A number of resolutions were adopted by the Stamp Act Congress protesting the acts of Parliament. One resolution stated, ''It is inseparably essential to the freedom of a people . . . that no taxes be imposed on them, but with their own consent, given personally or by their representatives.'' The resolutions concluded that the Stamp Act had a ''manifest tendency to subvert the rights and liberties of the colonists.''

Opposition to the Stamp Act was vehement throughout the colonies. While Grenville's successor was determined to repeal the law, the social, economic and political climate in the colonies brought on the American Revolution. The principles expressed during the earlier crisis against taxation without representation became firmly imbedded in our Federal Constitution of 1787.

I recognize that some say this legislation is unconstitutional. They argue that the Congress does not have the authority under Article III to limit and regulate the jurisdiction of the inferior Federal courts. This argument has no basis in the Constitution or common sense.

Article III, Section 1, of the Constitution provides jurisdiction to the lower

Federal courts as the ''Congress may from time to time ordain and establish.'' There is no mandate in the Constitution to confer equity jurisdiction to the inferior Federal courts. Congress has the flexibility under Article III to ''ordain and establish'' the lower Federal courts as it deems appropriate. This basic premise has been upheld by the Supreme Court in a number of cases including Lawcourt v. Phillips, Lauf v. E.G. Skinner and Co., Kline v. Burke Construction Co., and Sheldon v. Sill.

In other words, the Congress was expressly granted the authority to establish lower Federal courts, which it did. What the Congress has been given the power to do, it can certainly decide to stop doing. By passing this bill, the Congress would simply be limiting the jurisdiction of the lower Federal courts in a small area.

It is also important to note that this legislation would not restrict the power of the Federal courts to remedy Constitutional wrongs. Clearly, the Court has the power to order a remedy for a Constitutional violation that may include expenditures of money by Federal, State, or local governments. This bill simply requires that if the Court orders that money be spent, it is for the legislative body to decide how to comply with that order. The legislative body may choose to raise taxes, but it also may choose to cut spending or sell assets. That choice of how to come up with the money should always be for the legislature to decide. I believe it is clear under Article III that the Congress has the authority to restrict the remedial jurisdiction of the Federal Courts in this fashion.

Mr. President, the dispositive issue presented by the *Jenkins* decision is whether the American people want, as a matter of national policy, to be exposed to taxation without their consent by an independent and insulated judiciary. I most assuredly believe they do not.

Mr. President, how long will it be before a Federal judge orders tax increases to build new highways or prisons? I do not believe the Founding Fathers had this type of activism in mind when they established the judicial branch of government.

Judicial activism is a matter of great concern to me and has been for many years. I have always felt that Federal judges must strictly adhere to the principle that it is their role to interpret the law and not make the law. This simple principle is fundamental to our system of government.

The American people deserve a response to the *Jenkins* decision. We must provide protection against the imposition of taxes by an unelected, unaccountable judiciary. We must not permit this blatant violation of the separation of powers. We have a duty to right this wrong.

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

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

S. 34

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 ''Judicial Taxation Prohibition Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) a variety of effective and appropriate judicial remedies are available for the full redress of legal and constitutional violations under existing law, and that the imposition or increase of taxes by courts is neither necessary nor appropriate for the full and effective exercise of Federal court jurisdiction;

(2) the imposition or increase of taxes by judicial order constitutes an unauthorized and inappropriate exercise of the judicial power under the Constitution of the United States and is incompatible with traditional principles of law and government of the United States and the basic principle of the United States that taxation without representation is tyranny;

(3) Federal courts exceed the proper boundaries of their limited jurisdiction and authority under the Constitution of the United States, and impermissibly intrude on the legislative function in a democratic system of government, when they issue orders requiring the imposition of new taxes or the increase of existing taxes; and

(4) Congress retains the authority under article III, sections 1 and 2 of the Constitution of the United States to limit and regulate the jurisdiction of the inferior Federal courts that Congress has seen fit to establish, and such authority includes the power to limit the remedial authority of inferior Federal courts.

SEC. 3. AMENDMENT TO TITLE 28.

(a) IN GENERAL.—Chapter 85 of title 28, United States Code, is amended by inserting after section 1341 the following:

''§ 1341A. Prohibition of judicial imposition or increase of taxes

''(a) Notwithstanding any other provision of law, no inferior court established by Congress shall have jurisdiction to issue any remedy, order, injunction, writ, judgment, or other judicial decree requiring the Federal Government or any State or local government to impose any new tax or to increase any existing tax or tax rate.

''(b) Nothing in this section shall prohibit inferior Federal courts from ordering duly authorized remedies, otherwise within the jurisdiction of those courts, that may require expenditures by a Federal, State, or local government in any case in which those expenditures are necessary to effectuate those remedies.

''(c) For purposes of this section, the term 'tax' includes—

''(1) personal income taxes;

''(2) real and personal property taxes;

''(3) sales and transfer taxes;

''(4) estate and gift taxes;

''(5) excise taxes;

''(6) user taxes;

''(7) corporate and business income taxes; and

''(8) licensing fees or taxes.''.

(b) TABLE OF SECTIONS.—The table of sections for chapter 85 of title 28, United States Code, is amended by inserting after the item relating to section 1341 the following:

''1341A. Prohibition of judicial imposition or increase of taxes.''.

SEC. 4. APPLICABILITY.

This Act and the amendments made by this Act shall apply to cases pending or commenced in a Federal court on or after the date of enactment of this Act.

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

S. 35. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the long-term care insurance costs of all individuals who are not eligible to participate in employer-subsidized long-term care health plans; to the Committee on Finance.

LONG-TERM CARE AFFORDABILITY AND AVAILABILITY ACT OF 1999

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

S. 36. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants; to the Committee on Governmental Affairs.

THE AMERICAN WORKER LONG-TERM CARE AFFORDABILITY ACT OF 1999

Mr. GRASSLEY. Mr. President, I rise today to introduce two bills that are an important first step in helping Americans prepare for their long-term care needs. The Long Term Care Affordability and Availability Act and the American Worker Long Term Care Affordability Act. I am pleased to have my colleague Senator GRAHAM of Florida join me as a cosponsor of these two bills.

Longer and healthier lives are a blessing and a testament to the progress and advances made by our society. However, all Americans must be alert and prepare for long-term care needs. The role of private long-term care insurance is critical in meeting this challenge.

The financial challenges of health care in retirement are not new. Indeed, too many family caregivers can tell stories about financial devastation that was brought about by the serious long-term care needs of a family member. Because increasing numbers of Americans are likely to need long term care services, it is especially important to encourage planning today.

Most families are not financially prepared when a loved one needs long-term care. When faced with nursing home costs that can run more than $40,000 a year, families often turn to Medicaid for help. In fact, Medicaid pays for nearly 2 of every 3 nursing home residents at a cost of more than $30 billion each year for nursing home costs. With the impending retirement of the Baby Boomers, it is imperative that Congress takes steps now to encourage all Americans to plan ahead for potential long-term care needs.

The Long Term Care and Affordability and Availability Act will allow Americans who do not currently have access to employer subsidized long-term care plans to deduct the amount of such a plan from their taxable income. This bill will encourage planning and personal responsibility while helping to make long-term care insurance more affordable for middle class taxpayers.

The American Worker Long-Term Care Affordability Act will establish a program under which long-term care insurance may be obtained by current and former employees of the federal government. This legislation will make long-term care insurance affordable to the Federal community by using the purchasing power of the federal government to assure quality, competition and choice.

These measures will encourage Americans to be pro-active and prepare for their own long term care needs by making insurance more widely available and affordable. I urge my colleagues to support these bills.

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

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

S. 35

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 ''Long-Term Care Affordability and Availability Act of 1999''.

SEC. 2. DEDUCTION FOR LONG-TERM CARE HEALTH INSURANCE COSTS FOR INDIVIDUALS NOT ELIGIBLE TO PARTICIPATE IN EMPLOYER-SUBSIDIZED LONG-TERM CARE HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

''SEC. 222. QUALIFIED LONG-TERM CARE INSURANCE COSTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the amount of the eligible long-term care premiums (as defined in section 213(d)(10)) paid during the taxable year for coverage of the taxpayer and the spouse and dependents of the taxpayer.

''(b) LIMITATION BASED ON OTHER COVERAGE.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized long-term care plan maintained by any employer of the taxpayer or of the spouse of the taxpayer. For purposes of the preceding sentence, the term 'subsidized long-term care plan' means a subsidized health plan which includes primarily coverage for qualified long-term care services (as defined in section 7702B(c)) or is a qualified long-term care insurance contract (as defined in section 7702B(b)).

''(c) SPECIAL RULES.—

''(1) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

''(2) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 162(l)(2) of such Code is amended to read as follows:

''(C) LONG-TERM CARE PREMIUMS.—No deduction shall be allowed under this subsection for premiums on any qualified long-term care insurance contract (as defined in section 7702B(b)).''

(2) Subsection (a) of section 62 of such Code is amended by inserting after paragraph (17) the following new paragraph:

''(18) LONG-TERM CARE INSURANCE COSTS OF CERTAIN INDIVIDUALS.—The deduction allowed by section 222.''

(3) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 222. Qualified long-term care insurance costs.

''Sec. 223. Cross reference.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

S. 36

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 ''The American Worker Long-Term Care Affordability Act of 1999''.

SEC. 2. LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

''CHAPTER 90—LONG-TERM CARE INSURANCE

''Sec.
''9001. Definitions.
''9002. Availability of insurance.
''9003. Participating carriers.
''9004. Administrative functions.
''9005. Coordination with State laws.
''9006. Commercial items.

''§ 9001. Definitions

''In this chapter:

''(1) The term 'employee' has the meaning given such term by section 8901, but does not include an individual employed by the government of the District of Columbia.

''(2) The term 'annuitant'—

''(A) means—

''(i) a former employee who, based on the service of that individual, receives an annuity under subchapter III of chapter 83, chapter 84, or another retirement system for employees of the Government (disregarding title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and any retirement system established for employees described in section 2105(c)); and

''(ii) any individual who receives an annuity under any retirement system referred to in clause (i) (disregarding those described parenthetically) as the surviving spouse of an employee (including an amount under section 8442(b)(1)(A), whether or not an annuity under section 8442(b)(1)(B) is also payable) or of a former employee under clause (i); and

''(B) does not include a former employee of a Government corporation excluded by regulation of the Office of Personnel Management or the spouse of such a former employee.

''(3) The term 'eligible relative', as used with respect to an employee or annuitant, means each of the following:

''(A) The spouse of the employee or annuitant.

''(B) The father or mother of the employee or annuitant, or an ancestor of either.

''(C) A stepfather or stepmother of the employee or annuitant.

''(D) The father-in-law or mother-in-law of the employee or annuitant.

''(E) A son or daughter of the employee or annuitant who is at least 18 years of age.

''(F) A stepson or stepdaughter of the employee or annuitant who is at least 18 years of age.

''(4) The term 'Government' means the Government of the United States, including an agency or instrumentality thereof.

''(5) The term 'group long-term care insurance' means group long-term care insurance purchased by the Office of Personnel Management under this chapter.

''(6) The term 'individual long-term care insurance' means any long-term care insurance offered under this chapter which is not group long-term care insurance.

''(7) A carrier shall be considered to be a 'qualified carrier', with respect to a State, if it is licensed to issue group or individual long-term care insurance (as the case may be) under the laws of such State.

''(8) The term 'qualified long-term care insurance contract' has the meaning given such term by section 7702B of the Internal Revenue Code of 1986.

''(9) The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States.

''§ 9002. Availability of insurance

''(a) The Office of Personnel Management shall establish and administer a program through which employees and annuitants may obtain group or individual long-term care insurance for themselves, a spouse, or, to the extent permitted under the terms of the contract of insurance involved, any other eligible relative.

''(b) Long-term care insurance may not be offered under this chapter unless—

''(1) the only insurance protection provided is coverage under qualified long-term care insurance contracts; and

''(2) the insurance contract under which such coverage is provided is issued by a qualified carrier.

''(c) In addition to the requirements otherwise applicable under section 9001(8), in order to be considered a qualified long-term care insurance contract for purposes of this chapter, a contract shall be fully insured, whether through reinsurance with other companies or otherwise.

''(d) Nothing in this chapter shall be considered to require that long-term care insurance coverage be made available in the case of any individual who would be immediately benefit eligible.

''§ 9003. Participating carriers

''(a) Before the beginning of each year, the Office of Personnel Management shall—

''(1) identify each carrier through whom any long-term care insurance may be obtained under this chapter during such year; and

''(2) prepare a list of the carriers identified under paragraph (1), and a summary description of the insurance obtainable under this chapter from each.

''(b) In order to carry out its responsibilities under subsection (a), the Office shall annually specify the timetable (including any application deadlines) and other procedures that shall be followed by carriers seeking to be allowed to offer long-term care insurance under this chapter during the following year.

''(c) Before the beginning of each year, the Office shall in a timely manner—

''(1) publish in the Federal Register the list (and summary description) prepared under subsection (a) for such year; and

''(2) make available to each individual eligible to obtain long-term care insurance under this chapter such information, in a form acceptable to the Office after consultation with the carrier, as may be necessary to enable the individual to exercise an informed choice among the various options available under this chapter.

''(d)(1) The Office shall arrange to have the appropriate individual or individuals receive—

''(A) a copy of any policy of insurance obtained under this chapter; or

''(B) in the case of group long-term care insurance, a certificate setting forth the benefits to which an individual is entitled, to whom the benefits are payable, and the procedures for obtaining benefits, and summarizing the provisions of the policy principally affecting the individual or individuals involved.

''(2) Any certificate issued under paragraph (1)(B) shall be issued instead of the certificate which the insurance company would otherwise be required to issue.

''§ 9004. Administrative functions

''(a) Except as provided in section 9003, the sole functions of the Office of Personnel Management under this chapter shall be as follows:

''(1) To provide reasonable opportunity (consisting of not less than one continuous 30-day period each year) for eligible employees and annuitants to obtain long-term care insurance coverage under this chapter.

''(2) To provide for a means by which the cost of any long-term care insurance coverage obtained under this chapter may be paid for through withholdings from the pay or annuity of the employee or annuitant involved.

''(3) To contract for a qualified long-term care insurance contract (in the case of group long-term care insurance) with each qualified carrier that offers such insurance, if such carrier submits a timely application under section 9003(b) and complies with such other procedural rules as the Office may prescribe.

''(b) Nothing in this chapter shall be considered to permit or require the Office to—

''(1) prevent from being offered under this chapter any individual long-term care insurance under a qualified contract; or

''(2) prescribe or negotiate over the benefits to be offered, or any of the terms or conditions under which any such benefits shall be offered, under this chapter.

''§ 9005. Coordination with State laws

''(a) The provisions of any contract under this chapter for group long-term care insurance may include provisions to supersede and preempt any provisions of State or local law described in subsection (b), or any regulation issued thereunder.

''(b) This subsection applies to any provision of law which in effect carries out the same policy as section 5 of the long-term care insurance model Act, promulgated by the National Association of Insurance Commissioners (as adopted as of September 1997).

''§ 9006. Commercial items

''For purposes of the Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.), a long-term care insurance contract under this chapter shall be considered a commercial item, as defined in section 4(12) of such Act.''.

(b) CONFORMING AMENDMENT.—The table of chapters for part III of title 5, United States Code, is amended by adding at the end of subpart G the following:

''90. Long-Term Care Insurance ... 9001''.

SEC. 3. EFFECTIVE DATE.

The Office of Personnel Management shall take all necessary actions to ensure that long-term care insurance coverage under chapter 90 of title 5, United States Code, (as added by this Act) may be obtained in time to take effect beginning on the first day of the first applicable pay period beginning on or after January 1, 2000.

Mr. GRAHAM. Mr. President, I am pleased to join Senator GRASSLEY in introducing legislation that will allow the Federal Government to be a role model in helping Americans prepare for retirement security.

The issue is long term care insurance.

Several key facts highlights the importance of long term care insurance.

It is estimated that the majority of women and one-third of men who reach the age of 60 will need nursing home care before the end of life. Many of the baby boom generation first face this issue when they deal with their aging parents' needs.

Long term care is one of the most important retirement security issues facing us today. According to a 1997 survey sponsored by the National Council on the Aging, more Americans (69 percent) were worried about how to pay for long term care than were worried about how they would pay for their retirement (56 percent). This level of concern was true for all age groups and income levels among those surveyed.

Their concerns are well-founded. In 1995 the average cost of nursing home care in the United States was $37,000 per year. In some urban areas of the country, that cost can reach $70,000 per year.

Medicare provides short-term care coverage, but the average nursing home stay is two and one-half years. In fact, Medicare pays for only five percent of national nursing home costs.

Not all long term care occurs in nursing homes—85 percent of nursing home care is nonskilled care. Again, Medicare does not cover non-skilled care, so all of these costs must be covered by the patient and his or her family members.

Medicaid will provide nursing home and some nonskilled care coverage, but an individual must be extremely low income, or become low income, to qualify for Medicaid. This program currently pays for over half of nursing home expenses in the United States. But who wants to see their lifetime savings, and their children's inheritance, wiped out to pay for the cost of a catastrophic long term illness?

The end of life is not a pleasant subject for any family to discuss. But the emotional decisions involved are made easier by planning ahead and investing in long term care insurance. That kind of forethought provides needed options at a very vulnerable time.

Although many companies are considering offering this insurance to their employees, as of 1996 only 13.2 percent of long-term care plans were employer-sponsored.

Today, Senator GRASSLEY and I are moving the Federal Government into a leadership role by creating a model long term care insurance program for Federal employees. We hope that our legislation will inspire private companies to increase the long term care options available to their employees.

Under our plan, private companies will have the opportunity to compete to provide long term care insurance to Federal employees. This does not mean a high cost to taxpayers; premiums will be fully paid by federal employees. However, by pooling the numbers of workers in the Federal Government, our plan will encourage reduced group rates.

Only plans qualified under the Health Insurance Portability and Accountability Act of 1996 may offer this insurance to Federal workers through our legislation. Beyond that, we will let the marketplace determine the cost and services of plans available for purchase.

Flexibility is important in this relatively young industry as insurance companies are still in the process of determining how to most effectively provide this product. Competition among the various carriers, group discounts and volume of sales will keep these premiums affordable.

Eleven million Americans, including Federal employees and retirees, their spouses, parents, and in-laws would be eligible for long term care insurance under our proposal. This bill is just a first step, but an important one.

I ask for your support as we continue to improve retirement security for all Americans.

By Mr. GRASSLEY:

S. 37. A bill to amend title XVIII of the Social Security Act to repeal the restriction on payment for certain hospital discharges to post-acute care imposed by section 4407 of the Balanced Budget Act of 1997; to the Committee on Finance.

HOSPITAL TRANSFER PENALTY REPEAL ACT OF 1999

Mr. GRASSLEY. Mr. President, today I have introduced the Hospital Transfer Penalty Repeal Act of 1999. This legislation would repeal the Balanced Budget Act of 1997 (BBA)'s hospital transfer penalty. This law punishes hospitals that make use of the full continuum of care and discourages them from moving patients to the most appropriate levels of post-acute care. I ask my colleagues to spend a few minutes learning about this issue, because I believe that if they do, they will come to see the need for repeal.

The current hospital prospective payment system is based on the average length of stay for a given diagnosis. In some cases, patients stay in the hospital longer than the average and in other cases their stay is shorter. Historically, a hospital has been reimbursed based upon an average length of stay regardless of whether the patient remained in the hospital a day less than the average or a day more than the average.

Under the Balanced Budget Act transfer provision, however, this is no longer the case. If a patient in one of ten specified diagnosis-related groups (DRGs) is released earlier than the national average length of stay for that DRG, the hospital does not receive its full prospective payment. Instead, it receives only a smaller per-diem payment.

This policy penalizes facilities that transfer patients from the hospital to a more appropriate level of care earlier than the average length of stay. It encourages hospitals to ignore the clinical needs of patients and keep them in the most expensive care setting for a longer period of time. In short, it offers an incentive for hospitals to provide an unnecessary level of care, for an unnecessary length of time.

The transfer policy is particularly hard on hospitals in low-cost states like Iowa. Because Iowa's hospitals practice efficient medicine, they have average lengths of stay well below the national average. These hospitals will be hit especially hard. This kind of perverse incentive is part of the problem with Medicare, not part of the solution.

In addition to the irrational incentives this policy creates, administering it is simply maddening for providers. As a knowledgeable Iowa constituent, Joe LeValley of North Iowa Mercy Health System, has pointed out, the law creates conflicting incentives that make clinical management of patients a baffling experience. Medicare now expects physicians to move patients to the most cost-effective level of care as quickly as possible—unless those patients have a condition in one of these ten DRG's, in which case Medicare wants the physician to keep them in the hospital. Is it any wonder that physicians and hospital administrators are frustrated with Medicare?

In fact, isn't it physicians, not hospital administrators, who should be making decisions about patient care settings? If we think that doctors should be determining the appropriate location for a patient, it seems absurd to force the hospital into that role. But the transfer penalty does exactly that.

In addition, the law holds hospitals accountable for the actions of patients that are no longer under their care. In some cases, patients are not admitted to post-acute care directly from the hospital, and the hospital may not know that the patient is receiving such care, let alone steer the patient to it. The law thus sets hospitals up for accusations of fraud due to events that are beyond their control.

I understand that there are valid grounds for concern about hospitals moving patients to lower levels of care sooner than is clinically appropriate, simply in order to game the reimbursement system. That is unacceptable conduct, and we do need to attack it. I am open to discussions on possible alternatives to outright repeal of the transfer penalty, if these bad apples are the ones targeted. But we need to make sure we don't punish all hospitals—especially the most efficient—for the sins of a few.

This transfer penalty is a serious roadblock to the provision of appropriate and efficient care. Its repeal will help ensure that logical coordinated care remains a primary goal of the Medicare program.

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

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

S. 37

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

SECTION 1. REPEAL OF RESTRICTION ON MEDICARE PAYMENT FOR CERTAIN HOSPITAL DISCHARGES TO POST-ACUTE CARE.

(a) IN GENERAL.—Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)), as amended by section 4407 of the Balanced Budget Act of 1997, is amended—

(1) in subparagraph (I)(ii), by striking ''not taking in account the effect of subparagraph (J),'', and

(2) by striking subparagraph (J).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

By Mr. CAMPBELL (for himself, Mr. MACK, and Mrs. HUTCHISON:)

S. 38. A bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period; to the Committee on Finance.

ESTATE AND GIFT TAX RATE REDUCTION ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce a bill that I feel is of vital importance to farmers and family business owners, the Estate and Gift Tax Rate Reduction Act of 1999. I am pleased to be joined by my colleagues Senators MACK and HUTCHISON.

This bill is based on legislation I introduced last year, S. 2318. Unfortunately, the 105th Congress adjourned before we could debate and pass this bill. Since then, I have heard from numerous Coloradans and national organizations and am fully aware that the problems the bill would correct still exist.

Estate and gift taxes remain a burden of American families, particularly those who pursue the American dream of owning their own business. This is because family-owned businesses and farms are hit with the highest tax rate when they are handed down to descendants—often immediately following the death of a loved one. These taxes, and the financial burdens and difficulties they create come at the worst possible time. Making a terrible situation worse is the fact that the rate of this estate tax is crushing, reaching as high as 55 percent for the highest bracket. That's higher than even the highest income tax rate bracket of 39 percent. Furthermore, the tax is due as soon as the business is turned over to the heir, allowing no time for financial planning or the setting aside of money to pay the tax bills. Estate and gift taxes right now are one of the leading reasons why the number of family-owned farms and businesses are declining; the burden of this tax is just too much.

This tax sends the troubling message that families should either sell the business while they are still alive, in order to spare their descendants this huge tax after their passing, or rundown the value of the business, so that it won't make it into their higher tax brackets. Whichever the case may be, it hardly seems to encourage private investment and initiative, which have always been such a strong part of our American heritage.

That is why I again introduce this bill. It will gradually eliminate this tax by phasing it out—reducing the amount of the tax 5% each year, beginning with the highest rate bracket 55%, until the tax rate reaches zero. Several states have already adopted similar plans, and I believe we ought to follow their example. We need to change the message we are sending to farmers and family business owners. Leading organizations agree, and have endorsed this legislation. In fact, over 100 organizations, like the National Federation of Independent Business and the Farm Bureau, have joined together to form the Family Business Estate Tax Coalition, which strongly endorses the bill.

Mr. President, this tax should be eliminated across the board, and I ask my colleagues' help in working to achieve that goal.

Mr. President, I ask unanimous consent that the text of the bill and letters from the American Farm Bureau

Federation and Family Business Estate Tax Coalition be printed in the RECORD.

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

S. 38

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 ''Estate and Gift Tax Rate Reduction Act of 1999''.

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) estate and gift tax rates, which reach as high as 55 percent of a decedent's taxable estate, are in most cases substantially in excess of the tax rates imposed on the same amount of regular income and capital gains income; and

(2) a reduction in estate and gift tax rates to a level more comparable with the rates of tax imposed on regular income and capital gains income will make the estate and gift tax less confiscatory and mitigate its negative impacts on American families and businesses.

SEC. 3. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2009.

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

''(3) PHASEOUT OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 1999 and before 2010—

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

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

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

''(B) PERCENTAGE POINTS OF REDUCTION.—

''For calendar year:	The number of percentage points is:
2000	5
2001	10
2002	15
2003	20
2004	25
2005	30
2006	35
2007	40
2008	45
2009	50.

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

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

''For calendar year:	The number of percentage points is:
2000	1½
2001	3
2002	4½
2003	6
2004	7½
2005	9
2006	10½
2007	12
2008	13½
2009	15.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1999.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, July 23, 1998.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate, Washington, DC.

DEAR SENATOR CAMPBELL: Family farm businesses are the mainstay of a food and fiber industry that provides more than 21 million people with jobs and allows Americans to spend less than 10 percent of their incomes on food.

Estate taxes threaten family farms and ranches and the contributions they make to rural communities because farm heirs often have to sell business assets to borrow money to pay death taxes that reach as high as 55 percent. This can destroy the financial health of the enterprise and put farmers and ranchers out of business.

Changes in estate tax laws are needed to foster the transfer of farms and ranches from one generation to the next. Farm Bureau believes that estate taxes should be repealed and supports your legislation. S. 2318, that reduces estate tax rates by 5 percent a year until the tax is eliminated.

Thank you for introducing S. 2318.

Sincerely,

RICHARD W. NEWPHER,
Executive Director, Washington Office.

FAMILY BUSINESS ESTATE TAX COALITION,
May 14, 1998.

Hon. BILL ARCHER,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE ARCHER: On behalf of the more than 6 million members represented by the 100-plus organizations of the Family Business Estate Tax Coalition, we are writing to urge you to support the estate tax rate reduction and ten year phaseout legislation introduced by Representatives Jennifer Dunn and John Tanner.

Death tax relief, which is pro-business, pro-jobs, pro-family, and pro-economy, is of the utmost importance. What has become clear to economists and policy makers is that the social and economic costs of the estate tax far exceed the revenue it produces for the government.

We applaud Representatives Dunn and Tanner for their straightforward, fair, and financially responsible approach to eliminating an incredibly onerous tax. Join them in recognizing that death should not be a taxable event.

Sincerely,

THE FAMILY BUSINESS ESTATE TAX COALITION.

THE FAMILY BUSINESS ESTATE TAX COALITION

Air Conditioning Contractors of America.
Alliance for Affordable Healthcare.
American Alliance of Family Business.
American Bakers Association.
American Consult Engineers Council.
American Dental Association.
American Family Business Institute.
American Farm Bureau Federation.
American Forest & Paper Association.
American Horse Council.
American Hotel & Motel Association.
American Institute of CPA's.
American International Automobile Dealers Association.
American Sheep Industry Association.
American Small Businesses Association.
American Soybean Association.
American Supply Association.
American Trucking Associations.
American Vintners Association.
American Warehouse Association.
American Wholesale Marketers Association.
Amway Corporation.
Associated Builders and Contractors.
Associated Equipment Distributor.
Associated General Contractors of America.
Associated Specialty Contractors.
Association for Manufacturing Technology.
Committee to Preserve the American Family Business.
Communicating for Agriculture.
Families Against Confiscatory Estate and Inheritance Taxes.
Farm Credit Council.
Florists' Transworld Delivery Association.
Food Distributors International.
Food Marketing Institute.
Forest Industries Council on Taxation.
Guest & Associates.
Hallmark Cards, Inc.
Independent Bakers Association.
Independent Bankers Association of America.
Independent Forest Products Association.
Independent Insurance Agents of America.
Independent Petroleum Association of America.
Institute of Certified Financial Planners.
International Council of Shopping Centers.
Lake States Lumber Association.
Land Trust Alliance.
Manufacturing Jewelers and Silversmiths Association.
Marine Retailers Association of America.
National Association of Beverage Retailers.
National Association of Convenience Stores.
National Association of Home Builders.
National Association of Manufacturers.
National Association of Music Merchants.
National Association of Plumbing-Heating-Cooling Contractors.
National Association of Realtors.
National Association of State Departments of Agriculture.
National Association of Temporary and Staffing Services.
National Association of the Remodeling Industry.
National Association of Wheat Growers.
National Association of Wholesaler-Distributors.
National Automatic Merchandising Association.
National Automobile Dealers Association.
National Beer Wholesalers Association.
National Cattlemen's Beef Association.
National Corn Growers Association.
National Cotton Council of America.
National Council of Farmer Cooperatives.
National Electrical Contractors Association.
National Electrical Manufacturers Association.
National Farmers Union.
National Federation of Independent Business.

National Funeral Directors Association.
National Grange.
National Grocers Association.
National Hardwood Lumber Association.
National Home Furnishings Association.
National Licensed Beverage Association.
National Marine Manufacturers Association.
National Milk Producers Federation.
National Newspaper Association.
National Pork Producers Council.
National Pre-Cast Concrete Association.
National Restaurant Association.
National Retail Federation.
National Roofing Contractors Association.
National Rural Electric Cooperatives Association.
National Small Business United.
National Telephone Cooperative Association.
National Tire Dealers & Retreaders Association.
National Tooling & Machining Association.
Newsletter Publishers Association.
Newspaper Association of America.
North American Equipment Dealers Association.
Northwest Woodland Owners Council.
Petroleum Marketers Association of America.
Printing Industries of America, Inc.
Promotional Products Association International.
Safeguard America's Family Enterprises.
Sheet Metal and Air Conditioning Contractors' National Association.
Small Business Legislative Council.
Society of American Florists.
Southeastern Lumber Manufacturers Association.
Tax Foundation.
Texas and Southwestern Cattle Raisers Association.
Tire Association of North America.
United Fresh Fruit and Vegetable Association.
U.S. Apple Association.
U.S. Business & Industrial Council.
U.S. Chamber of Commerce.
U.S. Telephone Association.
Washington Council, P.C.
Wine and Spirits Wholesalers.
Wine Institute.
Wood Machinery Manufacturers Association.

COLORADO FARM BUREAU,
Denver, CO, January 18, 1999.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate, Washington, DC.

MR. CAMPBELL: The Colorado Farm Bureau, the state's largest farming and ranching organization, appreciates your sponsorship of the Estate and Gift Tax Rate Reduction Act. It is our understanding that the bill would amend the Internal Revenue Service Code of 1986 to phase out the estate and gift tax completely over a ten year period.

Farm Bureau policy supports the repeal of the federal estate tax and expanding eligibility for the family business estate tax exemption by reducing and simplifying requirements and restrictions. In 1997, the American Farm Bureau Federation delivered over 20,000 letters to Congress asking for the abolishment of the estate tax.

We believe that estate taxes are a major reason for keeping young farmers and ranchers from continuing on the farm or ranch. Many times a son or daughter cannot pay the exorbitantly high estate tax and are forced to sell all or part of the land to developers. First and foremost this is a threat to our inexpensive food supply. Secondly, this would threaten wildlife habitat and open space. This bill will allow agricultural operations to continue from one generation to the next—like it has for hundreds of years. No person should have to visit the mortuary and IRS agent in the same week.

Thank you for your continued support of agriculture.

Sincerely,

ROGER BILL MITCHELL,
President.

By Mr. STEVENS:

S. 39. A bill to provide a national medal for public safety officers who act with extraordinary valor above the call of duty, and for other purposes; to the Committee on the Judiciary.

THE PUBLIC SAFETY MEDAL OF VALOR ACT

Mr. STEVENS. Mr. President, we have all been pleased with the recent decline in crime in many areas of the country, and today I am introducing a bill to acknowledge the great commitment and sacrifice public safety officers at every level have made to that decline. From responding to traffic accidents, apprehending violent criminals, fighting fires, combating domestic terrorism, assisting people during natural disasters—not to mention performing the functions many of us take for granted—public safety officers are essential to the well-being and stability of the United States.

While public safety accomplishments often go unrecognized, the selfless service of those who work each day to preserve the peace and improve safety in our communities continues. This past year were reminded of the tremendous sacrifices of this American mainstay when Officers Jacob Chestnut and John Gibson gave their lives defending the peace and protecting lives in our nation's Capitol. In fact, since 1988 over 700 law enforcement officers have been killed in the line of duty, another 629 have been killed in duty-related accidents, and over 600,000 have been assaulted. We owe a tremendous debt to these heroes and to their families who have made such a tremendous sacrifice for the rest of us.

In the past ten years we've had earthquakes, flooding, hurricanes, vast fires, record cold spells, and numerous other natural disasters. Throughout those natural disasters, Americans from around the country counted on firemen, emergency medical technicians, emergency services personnel, and other public safety personnel from all levels of government. The many peaceful moments and days that we enjoy between these disasters and tragedies are the product of the vigilance, dedication, and hard work of those dedicated to the protection of the public.

In recognition and honor of these great public servants, I am introducing the Public Safety Medal of Valor Act. This Act establishes the highest national recognition of valor for public safety personnel for acts above and beyond the call of duty.

Under this legislation, an 11-member Medal Review Board selected by the Congress and by the President will consider nominations of public safety officers and select recipients of the medal. No more than 10 Public Safety Medal of Valor recipients will be selected in one year. I call on all of the members of the Senate and House to join me in support of this important measure to at last provide national recognition to the heroes in the field of public safety.

By Mr. KYL:

S. 47. A bill to establish a commission to study the impact on voter turnout of making the deadline for filing federal income tax returns conform to the date of federal elections; to the Committee on Rules and Administration.

VOTER TURNOUT ENHANCEMENT STUDY COMMISSION ACT

Mr. KYL. Mr. President, I rise today to introduce the Voter Turnout Enhancement Study (VoTES) Commission Act, a bill designed to promote fiscal responsibility while helping to motivate more Americans to get to the polls on Election Day.

Mr. President, when we balanced the unified budget last year, we did so by taxing and spending at a level of about $1.72 trillion. That is a level of spending that is 25 percent higher than when President Clinton took office just six years ago. Our government now spends the equivalent of $6,700 for every man, woman, and child in the country every year. That is the equivalent of nearly $27,000 for the average family of four. But all of that spending comes at a tremendous cost to hard-working taxpayers.

The Tax Foundation estimates that the medium income family in America saw its combined federal, state, and local tax bill climb to 37.6 percent of income in 1997—up from 37.3 percent the year before. That is more than the average family spends on food, clothing, shelter, and transportation combined. Put another way, in too many families, one parent is working to put food on the table, while the other is working almost full time just to pay the bill for the government bureaucracy.

In fact, the tax burden imposed on the American people hit a peacetime high of 19.8 percent of Gross Domestic Product (GDP) in 1997 and, according to the Congressional Budget Office, is continuing to rise—to 20.5 percent in 1998 and 20.6 percent in 1999. That will be higher than any year since 1945, and it would be only the third and fourth years in our nation's entire history that revenues have exceeded 20 percent of national income. Notably, the first two times revenues broke the 20 percent mark the economy tipped into recession.

Already, economists are beginning to project slower economic growth in coming years. Barring any further shocks from abroad, growth for 1999 to

2003 is estimated at about two percent. The heavy tax burden may not be the only reasons for slow growth, but it is a significant factor. Consider that economic growth avenged 3.9 percent annually during the period after the Reagan tax cuts and before the 1990 tax increase.

I am convinced that the tax burden is growing, in part, because so much of it is obscured from the view of the taxpayers. Withholding, for example, reduces the visibility and minimizes the pain of making large tax payments. FICA taxes paid by an employer on behalf of an employee never show up on a worker's pay stub at all, even though they reduce wages dollar for dollar. By the time Election Day could hardly be farther away from April 15.

If the visibility of the tax burden were increased, people might be more inclined to get to the polls. Move the deadline for filing income-tax returns from April to November and we could give people a reason to vote by focusing their attention on the role of government—and how much it actually costs them—on the single most important day of the year. Moving Tax Day to Election Day would probably result in more change in Washington than anything else we could do. Moreover, maximizing voter turnout is the best way to ensure that government officials heed the will of the people and make sound public policy.

The bill I am introducing today would provide for a thoughtful and thorough analysis of a change in the tax-filing deadline from April to November, its potential effect on voter turnout, as well as any economic impact it might have. The bill explicitly requires that an independent commission conduct a cost-benefit analysis—a requirement that Congress would be wise to impose routinely on legislative initiatives to separate the good ideas from the bad, and save taxpayers a lot of money in the process. A number of other cost limiting provisions have been included to protect taxpayers' interests.

While just about every day of the year is celebrated by special interest groups around the country for the government largesee they receive, the taxpayers—the silent majority—have only one day of the year to focus on what that largesse means to them—how much it costs them—and that is Tax Day. I believe that it ought to coincide with Election Day so people can clearly choose between candidates who support higher taxes and more government control, and candidates who favor lower taxes and the right of people to decide for themselves how to spend their own money.

I invite my colleagues to join me in cosponsoring this initiative, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 47

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 ''Voter Turnout Enhancement Study Commission Act''.

SEC. 2. FINDINGS.

(a) FINDINGS.—The Congress finds that:

(1) The right of citizens of the United States to vote is a fundamental right.

(2) It is the duty of federal, state, and local governments to promote the exercise of that right to vote to the greatest extent possible.

(3) The power to tax is a power that citizens of the United States only guardedly vest in their elected representatives to the federal, state, and local governments.

(4) The only regular contacts most Americans have with their government are the filing of their personal income tax returns and their participation in federal, state, and local elections.

(5) About 115 million individual income tax returns were filed in 1998, but only about 70 million Americans cast votes in that year's congressional elections.

SEC. 3. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Voter Turnout Enhancement Study Commission (hereafter in this Act referred to as the 'Commission').

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of nine members of whom—

(A) 3 shall be appointed by the President;

(B) 3 shall be appointed by the Majority Leader of the Senate; and

(C) 3 shall be appointed by the Speaker of the House of Representatives.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed no later than 30 days after the date of the enactment of this Act, and serve for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) COMPENSATION.—

(1) RATES OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay.

(2) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, include per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(e) INITIAL MEETING.—No later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(f) MEETINGS.—After the initial meeting, the Commission shall meet at the call of the Chairman.

(g) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(h) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and Vice Chairman from among its members.

SEC. 4. DUTIES OF THE COMMISSION.

(a) STUDY.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of all matters relating to the propriety of conforming the annual filing date for federal income tax returns with the date for holding biennial federal elections.

(2) MATTERS STUDIED.—The matters studied by the Commission shall include—

(A) whether establishment of a single date on which individuals can fulfill their obligations of citizenship as both electors and taxpayers would increase participation in federal, state, and local elections; and

(B) a cost benefit analysis of any change in tax filing deadlines.

(b) REPORT.—No later than 12 months after the date of the enactment of this Act, the Commission shall submit a report to the President and the Congress which shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such information as the Commission considers advisable to carry out the purposes of this Act.

(b) INFORMATION TO BE GATHERED.—The Commission shall obtain information from sources as it deems appropriate, including, but not limited to, taxpayers and their representatives, Governors, state and federal election officials, and the Commissioner of the Internal Revenue Service.

SEC. 6. TERMINATION OF THE COMMISSION.

The Commission shall terminate upon the submission of the report under section 4.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. STEVENS:

S. 49. A bill to amend the wetlands program under the Federal Water Pollution Control Act to provide credit for the low wetlands loss rate in Alaska and recognize the significant extent of wetlands conservation in Alaska property owners, and to ease the burden on overly regulated Alaskan cities, boroughs, owners, and to ease the burden on overly regulated Alaskan cities, boroughs, municipalities, and villages; to the Committee on Environment and Public Works.

Mr. STEVENS. Mr. President, according to the United States Fish and Wildlife Service more than 221,000,000 acres of wetlands existed at the time of Colonial America in the area that is now the contiguous United States. Since then 117,000,000 of those areas, roughly 53 percent, have been filled, drained, or otherwise removed from wetland status.

In the 1972 Federal Water Pollution Control Act, more commonly known as the Clean Water Act, Congress broadly expanded Federal jurisdiction over wetlands by modifying the definition of ''navigable waters'' as used in the 1899 Rivers and Harbors Act. The 1899 Act established the basis for regulating disposition of dredge spoils in navigable waters. The 1972 Act expanded that basis to encompass all ''water of the United States''.

In 1975, a United States district court ordered the Army Corps of Engineers to publish revised regulations concerning their program to implement section 404 of the Clean Water Act.

Since then, the Courts have further expanded upon the Corps's authority to include isolated wetlands and have issued decisions that effectively constrain agency decision makers to act only to promote conservation, often at the expense of sound economic development. This expansion of Congressional intent has also formed the basis for burdensome intrusions on the property rights of many Alaskans, Alaskan Native Corporations, and the State of Alaska.

The erosion of agency discretion clearly undermines the Corps of Engineers' ability to implement sound public policy in my State. Over the 100 years since the Rivers and Harbors Act, their ''Section 404'' regulatory program has become unnecessarily inflexible and unresponsive to common sense. In recognizing the value of preserving and restoring wetlands where appropriate, Congress intended to leave appropriate discretion to agency managers to balance competing public values. That intent has lost flexibility with age. Today the lack of regulatory flexibility threatens to destroy the economic health of many Alaskans. We are being over-regulated to the point of economic strangulation.

According to the United States Fish and Wildlife Service, approximately 170,200,000 acres of wetlands existed in Alaska in the 1780's and approximately 170,000,000 acres of wetlands exist now. That represents a loss of less than one-tenth of 1 percent through the combined effects of either human or natural processes.

Alaska contains more wetlands than all of the other States combined. Fully 75 percent of the non-mountainous areas of Alaska are wetlands. Yet we are regulating these vast wetlands in Alaska to the same strict levels as all the other states, without regard to either special economic hardships or the unnecessary federal expense this causes.

Ninety-eight percent of all Alaskan communities, including 200 of the 226 remote villages in Alaska, which incidently are dispersed over 1/5th of the land mass of the United States, are located in or adjacent to wetlands. To promote the economic self sufficiency of these remote communities, about 43,000,000 acres of land were granted to Alaska Natives through regional and village corporations.

These Native allotments were intended to be available for use. However between 45 percent and 100 percent of each Native corporation's land is categorized as wetlands. Therefore development of these Native lands and basic community infrastructure is delayed or even prevented by an ever tightening regulatory regime designed to protect an excessively abundant resource in Alaska because it is scarce elsewhere in the Union.

Naturally Alaska villages, municipalities, boroughs, city governments, and Native organizations are increasingly frustrated with the constraints of the wetlands regulatory program because it interferes with the location of community centers, airports, sanitation systems, roads, schools, industrial areas, and other critical community infrastructure.

The same is true of State-owned lands. 104,000,000 acres of land were granted to the State of Alaska at statehood for purposes of economic development. Nowhere is flexibility more appropriate than on these lands. What minimal identifiable environmental benefits expected from the ever tightened regulation of wetlands are certainly not justified in Alaska.

The Federal Government already has vast wetlands holdings in Alaska under the protection of a variety of Federal land management programs. In Alaska we have 62 percent of all federally designated wilderness lands, 70 percent of all Federal park lands, and 90 percent of all Federal refuge lands, thus providing protection against use or degradation for approximately 60,000,000 acres of wetlands. National policies intended to achieve 'no net loss' of wetlands reflect a response to the 53 percent loss of the wetlands base in the 48 contiguous States, but do not take into account the large percentage of conserved wetlands in Alaska.

Only 12 percent of Alaska's wetlands are privately owned, compared to 74 percent of the wetlands in the 48 contiguous States. Wetlands regulation designed to protect a large majority of a dwindling resource are clearly too strict where they would only apply to a small percentage of a vase resource. Unfortunately, Federal agencies no longer enjoy the discretion to modify their program to address these special circumstances. As a result, individual landowners in Alaska have lost up to 97 percent of their property value and Alaskan communities have lost a significant portion of their tax base due to wetlands regulations.

Expansion of the wetlands regulatory program in this manager is beyond what the Congress intended when it passed the Clean Water Act. In Alaska, it has placed unnecessary economic and administrative burdens on private property owners, small businesses, city governments, State government, farmers, ranchers, and others, while providing negligible environmental benefits.

It is time to stop using the wrong regulatory tools. For a State, such as Alaska, with substantial conserved wetlands, my bill provides much needed relief from the excessive burdens of the current cumbersome federal wetlands regulatory program. It relaxes the most stringent aspects of wetlands regulation, without dismantling agency discretion to regulate where necessary. This bill restores common sense and cost effectiveness without loss of high value wetlands.

By Mr. BIDEN (for himself, Mr. SPECTER, Mrs. BOXER, Mrs. MURRAY, Ms. MIKULSKI, Ms. LANDRIEU, Mrs. FEINSTEIN, Mrs LINCOLN, Ms. SNOWE, Mr. LAUTENBERG, Mr. REID, Mr. REED, Mr. DODD, Mr. INOUYE, Mr. KERRY, Mr. ROBB, Mr. SCHUMER, Mr. WELLSTONE, and Mr. KENNEDY):

S. 51. A bill to reauthorize the Federal programs to prevent violence against women, and for other purposes; to the Committee on the Judiciary.

VIOLENCE AGAINST WOMEN ACT II

Mr. BIDEN. Mr. President, I rise to introduce the Violence Against Women Act II. I am pleased to be joined by several of my colleagues on both sides of the aisle who are co-sponsoring this legislation. My colleagues joining me today include Senators SPECTER, BOXER, MURRAY, MIKULSKI, LANDRIEU, FEINSTEIN, LINCOLN, SNOWE, LAUTENBERG, REID, REED, DODD, INOUYE, KERRY, ROBB, KENNEDY, WELLSTONE, and SCHUMER.

Nearly 9 years ago when I first introduced the Violence Against Women Act, it was by no means a given that this body would consider it, let alone pass it. Although it may seem hard to believe now, at that time—less than a decade ago—few thought it either appropriate or necessary for national legislation to be enacted to confront the very serious problem of domestic violence and sexual assault.

The road to enactment was a long one. As Chairman of the Judiciary Committee in the early 1990's, I convened several hearings on the bill and released many reports on the problem of violence against women. Three times I convinced the Judiciary Committee to favorably report the bill to the full Senate. Twice, I had to re-introduce the bill.

Nearly 4 years passed from the original Violence Against Women Act's first introduction before the Senate fully considered it. But at last—in September of 1994—the Violence Against Women Act became the law of our land. And, it did so with substantial support from my colleagues on both sides of the aisle, clearing demonstrating what I have always known to be the case—that the fight to combat domestic violence and sexual assault is not a partisan issue, but a serious problem that affects our constituents in every one of our States and in every one of our home towns across this country.

But even this bipartisan support to pass the act into law did not resolve the dispute as to whether the problem of violence against women merited a national response. As many of my colleagues will recall, throughout the summer of 1995, the Congress debated whether or not we should actually fund the Violence Against Women Act.

Fortunately, by the fall of that year, the Congress finally reached a consensus that the Federal Government

both can and should provide significant resources and leadership in a national effort to end the violence women suffer at the hands of men, many of who they live with or have children with. That consensus continues to this day.

Let me provide just a few statistics and examples to show how successful the initiative to fight violence against women has been, but how far we still have to go:

On the one hand, the number of women killed by someone with whom they are in an intimate relationship—such as a current or former spouse, a cohabiting partner, or a current or former boyfriend—had decreased markedly—by 60 percent—in 1996 as compared with where it was 20 years earlier.

And, the total number of women victims of domestic violence is decreasing as well. In 1993, the year before the Violence Against Women Act became law, 1.1 million women reported being the victim of domestic violence or sexual assault. By 1996, the last year for which we have complete statistics, the number had fallen by 25 percent to about 840,000. This is still far, far too many, of course—even one victim is too many—but it represents an encouraging trend nonetheless that I believe we can attribute in part to the successes of this national effort.

However, the news is not all good. One-fourth—25 percent—of women responding to a nationwide survey in late 1995 and early 1996 said that they had been raped or physically assaulted by a current or former spouse, cohabiting partner, or date in their lifetimes. And demonstrating that violence against women is primarily domestic partner violence, 76 percent of women who have been raped or physically assaulted since age 18 were attacked by a current or former husband, cohabiting partner, or date. These are troubling statistics. But the successes of the Violence Against Women Act are combating these trends in a variety of ways, such as:

Putting thousands of trained police officers on the streets to arrest abusers before they can victimize again; supporting police officers as they work to help victims; adding trained prosecutors who put these abusers where they belong—in jail—or enforce protective orders to keep them away from those they have abused; tens of thousands of women and their children have access to shelters that provide a safe haven; victims of domestic violence and sexual assault have access to a wide array of support services from counseling to legal assistance; and a national domestic violence hotline handles hundreds of thousands of calls for help.

Our consensus in the Congress reflects a fundamental agreement across our Nation: The time when a woman had to suffer—in silence and alone—because the criminal who is victimizing her happens to be her husband or boyfriend is on its way to becoming ancient history.

Today, we must build on this consensus and deliver on its promise—because for all the strides we have made, there remain far too many women and their children who are still vulnerable. The statistics I reported just now reflect that reality. Just because we have had some success does not mean we can become complacent and abandon the fight against domestic violence now. And so, the legislation I am introducing today—the Violence Against Women Act II—has one simple goal: make more women and their children more safe.

This legislation builds on the tremendous successes of the original Violence Against Women Act in three key ways—it continues what is working; it seeks to improve what could work better; and it expands the national fight into new areas where the need is clear.

There are many other ideas and proposals in addition to those contained in this bill that deserve serious consideration before the full Senate debates this legislation. And, I am sure there are ways to refine and improve this bill. I look forward to working with my colleagues on both sides of the aisle to make this bill the best it can be. There are many Senators who are deeply committed to combating violence against women, and many of them have joined me today, for which I am grateful. I encourage all of my colleagues to review this legislation, offer their insights and lend their names as co-sponsors and leaders in the fight against domestic violence. I believe they will find that it offers comprehensive, sensible, workable, and cost-effective responses to combating violence against women.

Before I describe some highlights of this legislation, let me first emphasize what I believe to be the key, core element of the violence against women II. That central factor is a simple one—the money. We need to ensure that there continues to be dollars for cops, courts, prosecutors, judges, shelters, and all the elements which are working. Keeping the money flowing to where it works requires one simple yet crucial step—extending the violent crime reduction trust fund to 2002. The trust fund is due to expire in 2000. This is perhaps the most significant provision in the act I introduce today, and without it we will fail in the future to replicate our past successes in combating violence against women.

Beyond this fundamental step—and I cannot overemphasize the importance of the trust fund—there are four key policy areas addressed by the Violence Against Women Act II: strengthening law enforcement's tools; improving services for the victims of violence; reducing violence against children; and enhancing and supporting training and education efforts to enlist many more professionals in our shared fight.

On the law enforcement front, the bill introduced today starts with needed improvements to promote interstate and inter-jurisdictional enforcement of ''stay-away,'' or protection, orders. This is also known as giving ''full faith and credit'' to valid protection orders from any jurisdiction where they were issued. It often happens that the cops in one State may not know that there is a valid protection order issued by another jurisdiction. It is not their fault—it is often a matter of training to recognize valid orders or the means of communicating and sharing information across state lines. This is a mobile society, and victims of domestic violence often find they must flee the place they live and where they previously obtained a protection order so that they can keep themselves and their children safe. For these situations, we propose today a few simple fixes: Permitting state and local cops to use their ''pro-arrest'' grants for this kind of information sharing; encouraging states to enter into the cooperative agreements necessary to help interstate enforcement; and calling on the Justice Department to help develop new protocols and disseminate the ''best practices'' of State and local cops.

These are all simple and common sense solutions, but very necessary nevertheless. This bill will help these fixes become reality.

Other initiatives in this bill are to: Enhance and expand the resources available for courts to handle domestic violence and sexual assault cases; target the ''date-rape'' drug with the maximum federal penalties; continue funding for police, prosecutors, law enforcement efforts in rural communities, and for anti-stalking initiatives; and extend the support of local police ''pro-arrest'' efforts.

Of course, a comprehensive effort to reduce violence against women and lessen the harm it causes must do more than just arrest, convict and imprison abusers—we must also help the victims of violence. This legislation proposes to assist these crime victims in three fundamental ways: Providing a means for immediate protections from their abusers, such as through access to shelters; easier access to the courts and to the legal assistance necessary to keep their abusers away from them; and removing the ''catch–22s'' that sometimes literally compel women to stay with their abusers—such as discriminatory insurance policies that could force a mother to choose between turning in the man who is beating her or keeping health insurance for her children. Another ''catch–22'' affects immigrant women who are sometimes faced with a similar insidious ''choice.'' In 1994, we worked out provisions so battered immigrant women—whose ability to stay in the country was dependent on their husbands—would not have to choose

between staying in this country and continuing to be beaten, or leaving their abusers, but in doing so have to also leave our country (perhaps even without their children). This bill fixes aspects of this problem that leave an abused woman with such a horrible, unfair and immoral choice.

Those are this bill's three general policy goals. Let me outline more specifically just how our legislation proposes to boost the protections for the victims of violence.

First and foremost, we must build on our successful effort to provide more shelter space for battered women and their children. There have been significant efforts already to fund shelters for women who are victims of domestic violence and their children. However, the unmet need for shelter remains significant. For example, data from six states, which together have about 16 percent of the nation's population had to turn away more than 45,000 battered women who were seeking shelter because they simply did not have the space. Extrapolating these figures to the entire nation suggests that about 300,000 battered women and their children are turned away from shelters every year.

Current appropriations for shelter space stands at about $89 million. This legislation boosts this amount to $500 million over the the next three years. The additional money will help close the ''shelter-gap'' and bring us closer to the day when all battered women will have a safe, secure haven when they need it most.

We must also provide women with the Assistance necessary so that they can get access to help from our justice system. This bill does so in some clear and common sense ways, such as: Reauthorizing the expiring program to provide about $1 million per year for victim and witness counselors in court; continuing and expanding the highly successful national domestic violence hotline at a cost of about $4 million a year; and developing a coordinated approach to connecting victims of domestic abuse with trained, volunteer attorneys who can provide critical legal assistant.

To them at this very vulnerable time in their lives. I urge my colleagues to support—and even build upon—our efforts to put an end these real problems.

A third area where this legislation seeks action is on reducing violence against children. As my colleagues know, households where a woman is beaten are much more likely to also be home to child abuse and neglect. Moreover, we know that children who witness violence are much more likely to repeat the cycle when they are adults.

Here, our legislation proposes to continue two longstanding programs by providing: Resources to serve runaway and homeless youth who are victims of sexual abuse; and resources for court-appointed special advocates and special child abuse training for court personnel through the victims of child abuse act (originally cosponsored by Senator THURMOND and myself in 1990.)

The remaining area targeted by the Violence Against Women Act—two includes several efforts to help train and educate those already on the frontlines of the battle against violence against women.

Over the past few years, I have worked with several corporations who have begun their own workplace initiatives—everything from 24-hour assistance hotlines for their employees, training to help managers better recognize domestic violence, and even comprehensive employee assistant efforts.

Helping other companies start or improve—on their own initiative—such anti-violence efforts is why this legislation includes a national workplace clearinghouse on violence against women. The clearinghouse will provide technical assistance and help circulate best practices to companies interested in combating violence against women.

Another problem in the field involves the complex nature of criminal investigations into sexual assault cases. To assist the cops in the field who conduct these investigations, this legislation calls on the Attorney General to evaluate and recommend standards of training and practice of forensic examinations following sexual assaults.

Finally, this legislation continues the authorization for rape prevention and education programs. These programs provide public awareness and education efforts to teach young women how to protect themselves from rape and attack.

I have just offered the most general outline of the contents of the Violence Against Women Act II. I introduced this legislation in the last session of Congress. My colleagues and I worked diligently and productively on it last year and made substantial progress. This year, I am determined that we will complete the work we started last year and pass the Violence Against Women Act II.

I urge my colleagues to review this legislation carefully. This is not just a bipartisan effort—it is a non-partisan effort in which I hope every one of my colleagues will join me. I am confident they will find this bill a comprehensive and practical response that will help us meet a goal I believe is shared by every member of this Senate—making more women and more children more safe now and in the future.

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

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

S. 51

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 ''Violence Against Women Act II''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—STRENGTHENING LAW ENFORCEMENT TO REDUCE VIOLENCE AGAINST WOMEN

Sec. 101. Full faith and credit enforcement of protection orders.
Sec. 102. Role of courts.
Sec. 103. Reauthorization of STOP grants.
Sec. 104. Control of date-rape drug.
Sec. 105. Reauthorization of grants to encourage arrest policies.
Sec. 106. Violence against women in the military system.
Sec. 107. Hate crimes prevention.
Sec. 108. Reauthorization of rural domestic violence and child abuse enforcement grants.
Sec. 109. National stalker and domestic violence reduction.
Sec. 110. Amendments to domestic violence and stalking offenses.

TITLE II—STRENGTHENING SERVICES TO VICTIMS OF VIOLENCE

Sec. 201. Civil legal assistance.
Sec. 202. Shelters for battered women and children.
Sec. 203. Victims of abuse insurance protection.
Sec. 204. National domestic violence hotline.
Sec. 205. Federal victims' counselors.
Sec. 206. Battered women's employment protection.
Sec. 207. Ensuring unemployment compensation.
Sec. 208. Battered immigrant women.
Sec. 209. Older women's protection from violence.

TITLE III—LIMITING THE EFFECTS OF VIOLENCE ON CHILDREN

Sec. 301. Safe havens for children.
Sec. 302. Study of child custody laws in domestic violence cases.
Sec. 303. Reauthorization of runaway and homeless youth grants.
Sec. 304. Reauthorization of victims of child abuse programs.

TITLE IV—STRENGTHENING EDUCATION AND TRAINING TO COMBAT VIOLENCE AGAINST WOMEN

Sec. 401. Education and training of health professionals.
Sec. 402. Education and training in appropriate responses to violence against women.
Sec. 403. Rape prevention and education.
Sec. 404. Violence against women prevention education among youth.
Sec. 405. Education and training to end violence against and abuse of women with disabilities.
Sec. 406. Community initiatives.
Sec. 407. National commission on standards of practice and training for sexual assault examinations.
Sec. 408. National workplace clearinghouse on violence against women.
Sec. 409. Strengthening research to combat violence against women.

TITLE V—EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND

Sec. 501. Extension.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''domestic violence'' has the meaning given the term in section 2003 of

title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2); and

(2) the term ''sexual assault'' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C.3796gg–2).

TITLE I—STRENGTHENING LAW ENFORCEMENT TO REDUCE VIOLENCE AGAINST WOMEN

SEC. 101. FULL FAITH AND CREDIT ENFORCEMENT OF PROTECTION ORDERS.

(a) IN GENERAL.—Part U of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh et seq.) is amended—

(1) in the part heading, by adding ''**AND ENFORCEMENT OF PROTECTION ORDERS**'' at the end;

(2) in section 2101(b), by adding at the end the following:

''(7) To provide technical assistance and computer and other equipment to police departments, prosecutors, courts, and tribal jurisdictions to facilitate the widespread enforcement of protection orders, including interstate enforcement, enforcement between States and tribal jurisdictions, and enforcement between tribal jurisdictions.''; and

(3) in section 2102—

(A) in subsection (b)—

(i) in paragraph (1), by striking ''and'' at the end;

(ii) in paragraph (2), by striking the period at the end and inserting '', including the enforcement of protection orders from other States and jurisdictions (including tribal jurisdictions);''; and

(iii) by adding at the end the following:

''(3) have established cooperative agreements with neighboring jurisdictions to facilitate the enforcement of protection orders from other States and jurisdictions (including tribal jurisdictions); and

''(4) will give priority to using the grant to develop and install data collection and communication systems, including computerized systems, linking police, prosecutors, courts, and tribal jurisdictions for the purpose of identifying and tracking protection orders and violations of protection orders.''; and

(B) by adding at the end the following:

''(c) DISSEMINATION OF INFORMATION.—The Attorney General shall annually compile and broadly disseminate (including through electronic publication) information about successful data collection and communication systems that meet the purposes described in subsection (b)(3). Such dissemination shall target States, State and local courts, Indian tribal governments, and units of local government.''.

(b) CUSTODY AND PROTECTION ORDERS.—Section 2265 of title 18, United States Code, is amended by adding at the end the following:

''(d) REGISTRATION.—

''(1) IN GENERAL.—A State or Indian tribe shall not notify the party against whom a protection order has been made that the protection order has been registered or filed in the State or tribal jurisdiction unless requested to do so by the party protected under that order.

''(2) NO PRIOR REGISTRATION OR FILING REQUIRED.—Nothing in this subsection may be construed to require the prior filing or registration of a protection order in an enforcing State in order to secure enforcement pursuant to subsection (a).

''(e) NOTICE.—A protection order that is otherwise consistent with this section shall be accorded full faith and credit and enforced notwithstanding the failure to provide notice to the party against whom the order is made of its registration or filing in the enforcing State or Indian tribe.''.

(c) TECHNICAL AMENDMENT.—The table of contents for title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended in the item relating to part U, by adding ''AND ENFORCEMENT OF PROTECTION ORDERS'' at the end.

SEC. 102. ROLE OF COURTS.

(a) COURTS AS ELIGIBLE STOP GRANTEES.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg et seq.) is amended—

(1) in section 2001—

(A) in subsection (a)—

(i) by inserting ''State and local courts,'' after ''States,''; and

(ii) by inserting ''tribal courts,'' after ''Indian tribal governments,''; and

(B) in subsection (b)—

(i) in each of paragraphs (1) and (2), by inserting '', judges and other court personnel,'' after ''law enforcement officers''; and

(ii) in paragraph (3), by inserting '', court,'' after ''police''; and

(2) in section 2002—

(A) in subsection (a), by inserting ''State and local courts,'' after ''States,'' the second place it appears;

(B) in subsection (c), by striking paragraph (3) and inserting the following:

''(3) of the amount granted—

''(A) not less than 25 percent shall be allocated to police and prosecutors;

''(B) not less than 30 percent shall be allocated to victim services; and

''(C) not less than 10 percent shall be allocated for State and local courts; and''; and

(C) in subsection (d)(1), by inserting ''court,'' after ''law enforcement,''.

(b) REAUTHORIZATION OF STATE JUSTICE INSTITUTE GRANTS.—Chapter 1 of subtitle D of the Violence Against Women Act of 1994 (42 U.S.C. 13991 et seq.) is amended—

(1) in section 40412—

(A) in paragraph (6), by inserting ''stereotyping of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)) who are victims of rape, sexual assault, abuse, or violence,'' before ''racial stereotyping'';

(B) in paragraph (13), by inserting ''or among individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)),'' after ''socioeconomic groups,'';

(C) in paragraph (18), by striking ''and'' at the end;

(D) in paragraph (19), by striking the period at the end and inserting a semicolon; and

(E) by adding at the end the following:

''(20) domestic violence and child abuse in custody determinations and stereotypes regarding the fitness of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)) to retain custody of children in domestic violence cases;

''(21) promising practices in the vertical management of domestic violence offender cases; and

''(22) issues relating to violence against and abuse of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)), including the nature of physical, mental, and communications disabilities, the special vulnerability to violence of individuals with disabilities, and the types of violence and abuse experienced by individuals with disabilities.''; and

(2) in section 40414, by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this chapter $600,000 for each of fiscal years 2000 through 2002.''.

(c) FEDERAL JUDICIAL PERSONNEL.—In carrying out section 620(b)(3) of title 28, United States Code, the Federal Judicial Center, shall include in its educational and training programs, including the training programs for newly appointed judges, information on the topics listed in section 40412 of the Equal Justice for Women in the Courts Act (42 U.S.C. 13992) that pertain to issues within the jurisdiction of the Federal courts, and shall prepare materials necessary to implement this section and the amendments made by this section.

(d) GRANTS TO ENCOURAGE ARREST POLICIES.—

(1) ELIGIBLE GRANTEES; USE OF GRANTS FOR EDUCATION.—Section 2101 of part U of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh) is amended—

(A) in subsection (a), by inserting ''State and local courts, tribal courts,'' after ''Indian tribal governments,'';

(B) in each of subsections (b) and (c), by inserting ''State and local courts,'' after ''Indian tribal governments''; and

(C) in subsection (b)—

(i) in paragraph (2), by striking ''policies and'' and inserting ''policies, educational programs, and''; and

(ii) in each of paragraphs (3) and (4), by inserting ''parole and probation officers,'' after ''prosecutors,'' each place that term appears.

(2) ALLOTMENT FOR INDIAN TRIBES.—Section 2101 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh) is amended by adding at the end the following:

''(d) ALLOTMENT FOR INDIAN TRIBES.—

''(1) IN GENERAL.—Not less than 5 percent of the total amount made available for grants under this section for each fiscal year shall be available for grants to Indian tribal governments.

''(2) REALLOTMENT OF FUNDS.—If, beginning 12 months after the first day of any fiscal year for which amounts are made available under this subsection, any amount made available under this subsection remains unobligated, the unobligated amount may be allocated without regard to paragraph (1) of this subsection.''.

SEC. 103. REAUTHORIZATION OF STOP GRANTS.

(a) REAUTHORIZATION.—Section 1001(a)(18) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(18)) is amended to read as follows:

''(18) There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out part T $184,000,000 for fiscal year 2000, $185,000,000 for fiscal year 2001, and $186,000,000 for fiscal year 2002.''.

(b) STATE COALITION GRANTS.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg et seq.) is amended—

(1) in section 2001—

(A) in subsection (b)(5), by inserting '', and the forms of violence and abuse suffered by women who are individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102))''; and

(B) by adding at the end the following:

''(c) STATE COALITION GRANTS.—

''(1) PURPOSE.—The Attorney General shall make grants to each State domestic violence coalition and sexual assault coalition for the purposes of coordinating State victim services activities, and collaborating and coordinating with Federal, State, and local entities engaged in violence against women activities.

''(2) GRANTS TO STATE COALITIONS.—The Attorney General shall make grants to—

''(A) each State domestic violence coalition, as determined by the Secretary of Health and Human Services through the Family Violence Prevention and Services Act (42 U.S.C. 10410 et seq.); and

''(B) each State sexual assault coalition, as determined by the Secretary of Health and Human Services under the Public Health Service Act.

''(3) ELIGIBILITY FOR OTHER GRANTS.—Receipt of an award under this subsection by each State domestic violence and sexual assault coalition shall not preclude the coalition from receiving additional grants under this part to carry out the purposes described in subsection (b).'';

(2) in section 2002(b)—

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

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

''(2) 2 percent shall be available for grants for State coalitions under section 2001(c), with the coalition for each State, the coalition for the District of Columbia, the coalition for the Commonwealth of Puerto Rico, and the coalition for the combined Territories of the United States each receiving an amount equal to 1/53 of the total amount made available under this paragraph for each fiscal year;''; and

(3) in section 2003—

(A) in paragraph (1), by inserting ''by a person with whom the victim has engaged in a social relationship of a romantic or intimate nature'' after ''child in common,'';

(B) in paragraph (8)—

(i) by striking ''assisting domestic violence or sexual assault victims through the legal process'' and inserting ''providing assistance for victims seeking legal, social, or health care services''; and

(ii) by inserting before the period at the end the following: '', except that the term does not include any program or activity that is targeted primarily for offenders''; and

(C) in paragraph (7), by striking ''physical''.

(d) REALLOTMENT OF FUNDS.—Section 2002(e) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–1(e)) is amended by adding at the end the following:

''(3) REALLOTMENT OF FUNDS.—

''(A) IN GENERAL.—If, beginning 1 year after the last day of any fiscal year for which amounts are made available under section 1001(a)(18), any amount made available remains unobligated, the unobligated amount may be allocated by a State to fulfill the purposes described in section 2001(b), without regard to subsection (c)(3) of this section.

''(B) GUIDELINES.—The Attorney General shall promulgate guidelines to implement this paragraph.''.

SEC. 104. CONTROL OF DATE-RAPE DRUG.

Notwithstanding section 201 or subsection (a) or (b) of section 202 of the Controlled Substances Act (21 U.S.C. 811, 812(a), 812(b)) respecting the scheduling of controlled substances, the Attorney General shall by order transfer flunitrazepam from schedule IV of such Act to schedule I of such Act.

SEC. 105. REAUTHORIZATION OF GRANTS TO ENCOURAGE ARREST POLICIES.

Section 1001(a)(19) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(19)) is amended to read as follows:

''(19) There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out part U $64,000,000 for fiscal year 2000, $65,000,000 for fiscal year 2001, and $66,000,000 for fiscal year 2002.''.

SEC. 106. VIOLENCE AGAINST WOMEN IN THE MILITARY SYSTEM.

(a) CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES BY PERSONS ACCOMPANYING THE ARMED FORCES.—

(1) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 211 the following:

''CHAPTER 212—DOMESTIC VIOLENCE AND SEXUAL ASSAULT OFFENSES COMMITTED OUTSIDE THE UNITED STATES

''Sec.
''3261. Definitions.
''3262. Domestic violence and sexual assault offenses committed by persons employed by or accompanying, the Armed Forces outside the United States.
''3263. Delivery to authorities of foreign countries.
''3264. Regulations.

''§ 3261. Definitions

''In this chapter—

''(1) the term 'armed forces' has the same meaning as in section 101(a)(4) of title 10;

''(2) a person is 'employed by the Armed Forces outside of the United States' if the person—

''(A) is an employee of the Department of Defense;

''(B) is present or residing outside of the United States in connection with such employment; and

''(C) is a national of the United States, as defined in 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

''(3) a person is 'accompanying the Armed Forces outside of the United States' if the person—

''(A) is a dependent of a member of the armed forces, as determined under regulations prescribed pursuant to section 3264;

''(B) is a dependent of an employee of the Department of Defense, as determined under regulations prescribed pursuant to section 3264;

''(C) is residing with the member or employee outside of the United States; and

''(D) is a national of the United States, as defined in 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).

''§ 3262. Domestic violence and sexual assault offenses committed by persons employed by or accompanying the Armed Forces outside the United States

''(a) IN GENERAL.—Whoever, while employed by or accompanying the Armed Forces outside of the United States, engages in conduct that would constitute a domestic violence or sexual assault offense, if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, shall be subject to prosecution in a district court of the United States.

''(b) CONCURRENT JURISDICTION.—Nothing contained in this chapter deprives courts-martial, military commissions, provost courts, or other military tribunals of concurrent jurisdiction with respect to offenders or offenses that by statute or by the law of war may be tried by courts-martial, military commissions, provost courts, or other military tribunals.

''(c) PRIORITY OF EXERCISE OF JURISDICTION.—

''(1) ACTION BY MILITARY TRIBUNAL.—No prosecution may be commenced in the United States district court under this section until an official of the Department of Defense designated pursuant to regulations jointly prescribed by the Attorney General, the Secretary of Defense, and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) waives the exercise of jurisdiction referred to in subsection (b) in accordance with procedures set forth in the regulations.

''(2) ACTION BY FOREIGN GOVERNMENT.—No prosecution may be commenced in a district court under this section if a foreign government, in accordance with jurisdiction recognized by the United States, has prosecuted or is prosecuting such person for the conduct constituting such offense, except upon the approval of the Attorney General of the United States or the Deputy Attorney General of the United States (or a person acting in either such capacity), which function of approval shall not be delegated.

''(d) ARRESTS.—

''(1) LAW ENFORCEMENT PERSONNEL.—The Secretary of Defense may designate and authorize any person serving in a law enforcement position in the Department of Defense to arrest outside of the United States any person described in subsection (a) if there is probable cause to believe that such person engaged in conduct which constitutes a criminal offense under subsection (a).

''(2) RELEASE TO CIVILIAN LAW ENFORCEMENT.—A person arrested under paragraph (1) shall be released to the custody of civilian law enforcement authorities of the United States for removal to the United States for judicial proceedings in the United States district court of the named jurisdiction of origin of the person arrested in relation to conduct referred to in such paragraph if—

''(A) military jurisdiction has been waived under subsection (c)(1) in the case of that person; and

''(B) that person has not been, and is not to be, delivered to authorities of a foreign country under section 3263; or

''§ 3263. Delivery to authorities of foreign countries

''(a) IN GENERAL.—Any person designated and authorized under section 3262(d) may deliver a person described in section 3262(a) to the appropriate authorities of a foreign country in which the person is alleged to have engaged in conduct described in subsection (a) if—

''(1) the appropriate authorities of that country request the delivery of the person to such country for trial for such conduct as an offense under the laws of that country; and

''(2) the delivery of such person to that country is authorized by a treaty or other international agreement to which the United States is a party.

''(b) DETERMINATION BY THE SECRETARY.—The Secretary of Defense shall determine which officials of a foreign country constitute appropriate authorities for purposes of this section.

''§ 3264. Regulations

''The Secretary of Defense shall issue regulations governing the apprehension, detention, and removal of persons under this chapter. Such regulations shall be uniform throughout the Department of Defense.''.

(2) CLERICAL AMENDMENT.—The table of chapters at the beginning of part II of title 18, United States Code, is amended by inserting after the item relating to chapter 211 the following:

"212. Domestic Violence and Sexual Assault Offenses Committed Outside the United States ..... 3261".

(b) RECORDS OF MILITARY JUSTICE ACTIONS.—

(1) IN GENERAL.—Subchapter XI of chapter 47 of title 10, United States Code, is amended by adding at the end the following:

"§ 940a. Art. 140a Military justice information: transmission to Director of the Federal Bureau of Investigation

''Whenever a member of the armed forces is discharged or dismissed from the armed forces or is released from active duty, the Secretary of the military department concerned shall transmit to the Director of the Federal Bureau of Investigation a copy of records of any penal action taken against the member during that period under this chapter, including any nonjudicial punishment imposed under section 815 of this title (article 15).''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter IX of chapter 47 of title 10, United States Code, is amended by adding at the end the following:

''940a. 140a. Military justice information: transmission to the Director of the Federal Bureau of Investigation.''.

(c) TRANSITIONAL COMPENSATION.—Section 1059(g)(2) of title 10, United States Code, is amended by striking ''the Secretary may not resume such payments'' and inserting ''the Secretary may, under circumstances determined extraordinary by the Secretary, resume such payments''.

SEC. 107. HATE CRIMES PREVENTION.

(a) DEFINITION.—In this section, the term ''hate crime'' has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

(b) PROHIBITION OF CERTAIN ACTS OF VIOLENCE.—Section 245 of title 18, United States Code, is amended—

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

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

''(c)(1) Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

''(A) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

''(B) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both if—

''(i) death results from the acts committed in violation of this paragraph; or

''(ii) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

''(2)(A) Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived religion, gender, sexual orientation, or disability of any person—

''(i) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

''(ii) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both, if—

''(I) death results from the acts committed in violation of this paragraph; or

''(II) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

''(B) For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

''(i) in connection with the offense, the defendant or the victim travels in interstate or foreign commerce, uses a facility or instrumentality of interstate or foreign commerce, or engages in any activity affecting interstate or foreign commerce; or

''(ii) the offense is in or affects interstate or foreign commerce.''.

(c) DUTIES OF FEDERAL SENTENCING COMMISSION.—

(1) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(2) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this subsection, the United States Sentencing Commission shall—

(A) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(B) avoid duplicative punishments for substantially the same offense.

(d) GRANT PROGRAM.—

(1) AUTHORITY TO MAKE GRANTS.—The Administrator of the Office of Juvenile Justice and Delinquency Prevention of the Department of Justice shall make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection.

(e) AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.—There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 2000, 2001, and 2002 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 245 of title 18, United States Code (as amended by this section).

(f) SEVERABILITY.—If any provision of this section, an amendment made by this section, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this section, the amendments made by this section, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 108. REAUTHORIZATION OF RURAL DOMESTIC VIOLENCE AND CHILD ABUSE ENFORCEMENT GRANTS.

(a) REAUTHORIZATION.—Section 40295(c)(1) of the Violence Against Women Act of 1994 (42 U.S.C. 13971(c)(1)) is amended to read as follows:

''(1) IN GENERAL.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(A) $34,000,000 for fiscal year 2000;

''(B) $35,000,000 for fiscal year 2001; and

''(C) $36,000,000 for fiscal year 2002.''.

(b) INDIAN TRIBES.—Section 40295(c) of the Violence Against Women Act of 1994 (42 U.S.C. 13971(c)) is amended by adding at the end the following:

''(3) ALLOTMENT FOR INDIAN TRIBES.—

''(A) IN GENERAL.—Not less than 5 percent of the total amount made available to carry out this section for each fiscal year shall be available for grants to Indian tribal governments.

''(B) REALLOTMENT OF FUNDS.—If, beginning 12 months after the last day of any fiscal year for which amounts are made available to carry out this paragraph, any amount made available under this paragraph remains unobligated, the unobligated amount may be allocated without regard to subparagraph (A).''.

SEC. 109. NATIONAL STALKER AND DOMESTIC VIOLENCE REDUCTION.

(a) REAUTHORIZATION.—Section 40603 of the Violence Against Women Act of 1994 (42 U.S.C. 14032) is amended to read as follows:

"SEC. 40603. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this subtitle—

''(1) $2,000,000 for fiscal year 2000;

''(2) $3,000,000 for fiscal year 2001; and

''(3) $4,000,000 for fiscal year 2002.''.

(b) TECHNICAL AMENDMENT.—Section 40602(a) of the Violence Against Women Act of 1994 (42 U.S.C. 14031 note) is amended by inserting ''and implement'' after ''improve''.

SEC. 110. AMENDMENTS TO DOMESTIC VIOLENCE AND STALKING OFFENSES.

(a) INTERSTATE DOMESTIC VIOLENCE.—Section 2261(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSES.—

''(1) TRAVEL OR CONDUCT OF OFFENDER.—A person who travels in interstate or foreign commerce or to or from Indian country with the intent to injure, harass, or intimidate a spouse or intimate partner, and who, in the course of or as a result of such travel, commits or attempts to commit a crime of violence against that spouse or intimate partner, shall be punished as provided in subsection (b).

''(2) CAUSING TRAVEL OF VICTIM.—A person who causes a spouse or intimate partner to travel in interstate or foreign commerce or to or from Indian country by force, coercion, duress, or fraud, and who, in the course of or as a result of such conduct or travel, commits or attempts to commit a crime of violence against that spouse or intimate partner, shall be punished as provided in subsection (b).''.

(b) INTERSTATE STALKING.—Section 2261A of title 18, United States Code, is amended to read as follows:

"§ 2261A. Interstate stalking

''Whoever—

''(1) with the intent to injure, harass, or intimidate another person, engages in the special maritime and territorial jurisdiction of the United States in conduct that places that person in reasonable fear of the death of, or serious bodily injury to, that person or a member of the immediate family (as defined in section 115) of that person; or

''(2) with the intent to injure, harass, or intimidate another person, travels in interstate or foreign commerce, or enters or leaves Indian country, and, in the course of or as a result of such travel, engages in conduct that places that person in reasonable fear of the death of, or serious bodily injury to, that person or a member of that person's immediate family (as defined in section 115), shall be punished as provided in section 2261.''.

(c) INTERSTATE VIOLATION OF PROTECTION ORDER.—Section 2262(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSES.—

''(1) TRAVEL OR CONDUCT OF OFFENDER.—A person who travels in interstate or foreign commerce, or enters of leaves Indian country, with the intent to engage in conduct that violates the portion of a protection order that prohibits or provides protection against violence, threats, or harassment against, contact or communication with, or physical proximity to, another person, or that would violate such a portion of a protection order in the jurisdiction in which the order was issued, and subsequently engages in such conduct, shall be punished as provided in subsection (b).

''(2) CAUSING TRAVEL OF VICTIM.—A person who causes another person to travel in interstate or foreign commerce or to or from Indian country by force, coercion, duress, or fraud, and in the course of or as a result of such conduct or travel engages in conduct that violates the portion of a protection order that prohibits or provides protection against violence, threats, or harassment against, contact or communication with, or physical proximity to, another person, or that would violate such a portion of a protection order in the jurisdiction in which the order was issued, shall be punished as provided in subsection (b).''.

(d) FULL FAITH AND CREDIT.—Section 2265 of title 18, United States Code, is amended by adding at the end the following:

''(d) TRIBAL COURT JURISDICTION.—For purposes of this section, a tribal court shall be deemed to have jurisdiction over any activity occurring in Indian country.''.

(e) DEFINITIONS.—Section 2266 of title 18, United States Code, is amended to read as follows:

''§ 2266. Definitions

''In this chapter:

''(1) BODILY INJURY.—The term 'bodily injury' means any act, except one done in self-defense, that results in physical injury or sexual abuse.

''(2) ENTERS OR LEAVES INDIAN COUNTRY.—The term 'enters or leaves Indian country' includes leaving the jurisdiction of 1 tribal government and entering the jurisdiction of another tribal government.

''(3) INDIAN COUNTRY.—The term 'Indian country' has the meaning stated in section 1151.

''(4) PROTECTION ORDER.—The term 'protection order' includes any injunction or other order issued for the purpose of preventing violent or threatening acts or harassment against, or contact or communication with or physical proximity to, another person, including temporary and final orders issued by civil and criminal courts (other than support or child custody orders issued pursuant to State divorce and child custody laws) whether obtained by filing an independent action or as a pendente lite order in another proceeding so long as any civil order was issued in response to a complaint, petition or motion filed by or on behalf of a person seeking protection. Custody and visitation provisions in protection orders are subject to this chapter.

''(5) SERIOUS BODILY INJURY.—The term 'serious bodily injury' has the meaning stated in section 2119(2).

''(6) SPOUSE OR INTIMATE PARTNER.—The term 'spouse or intimate partner' includes—

''(A) a spouse, a former spouse, a person who shares a child in common with the abuser, a person who cohabits or has cohabited with the abuser as a spouse, and a person with whom the abuser has engaged in a social relationship of a romantic or intimate nature; and

''(B) any other person similarly situated to a spouse who is protected by the domestic or family violence laws of the State or tribal jurisdiction in which the injury occurred or where the victim resides.

''(7) STATE.—The term 'State' includes a State of the United States, the District of Columbia, a commonwealth, territory, or possession of the United States.

''(8) TRAVEL IN INTERSTATE OR FOREIGN COMMERCE.—The term 'travel in interstate or foreign commerce' does not include travel from 1 State to another by an individual who is a member of an Indian tribe and who remains at all times in the territory of the Indian tribe of which the individual is a member.''.

TITLE II—STRENGTHENING SERVICES TO VICTIMS OF VIOLENCE

SEC. 201. CIVIL LEGAL ASSISTANCE.

(a) IN GENERAL.—The purpose of this section is to enable the Attorney General to make grants to further the health, safety, and economic well-being of victims of domestic violence, stalking, and sexual assault by providing civil legal assistance to such victims.

(b) CIVIL LEGAL ASSISTANCE GRANTS.—The Attorney General may make grants under this subsection to private nonprofit entities, publicly funded organizations not acting in a governmental capacity, and Indian tribal governments and affiliated organizations, which shall be used—

(1) to implement, expand, and establish cooperative efforts and projects between domestic violence and sexual assault victim advocacy organizations and civil legal assistance providers to strengthen a broad range of civil legal assistance for victims of domestic violence, stalking, and sexual assault;

(2) to implement, expand, and establish efforts and projects to strengthen a broad range of civil legal assistance for victims of domestic violence, stalking, and sexual assault by organizations with a demonstrated history of providing direct legal or advocacy services on behalf of these victims; and

(3) to provide training, technical assistance, and data collection to improve the capacity of grantees and other entities to offer civil legal assistance to victims of domestic violence, stalking, and sexual assault.

(c) GRANT TO CREATE DATABASE OF PROGRAMS THAT PROVIDE CIVIL LEGAL ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, STALKING, AND SEXUAL ASSAULT.—

(1) IN GENERAL.—The Attorney General may make a grant to establish, operate, and maintain a national computer database of programs that provide civil legal assistance to victims of domestic violence, stalking, and sexual assault.

(2) DATABASE REQUIREMENTS.—A database established with a grant under this subsection shall be—

(A) designed to facilitate the referral of persons to programs that provide civil legal assistance to victims of domestic violence, stalking, and sexual assault; and

(B) operated in coordination with the national domestic violence hotline established under section 316 of the Family Violence Prevention and Services Act.

(d) EVALUATION.—The Attorney General may evaluate the grants funded under this section through contracts or other arrangements with entities expert on domestic violence, stalking, and sexual assault, and on evaluation research.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

(A) $34,000,000 for fiscal year 2000;

(B) $35,000,000 for fiscal year 2001; and

(C) $36,000,000 for fiscal year 2002.

(2) ALLOCATION OF FUNDS.—Of the amount made available under this subsection in each fiscal year, not less than 5 percent shall be used for grants for programs that assist victims of domestic violence, stalking, and sexual assault on lands within the jurisdiction of an Indian tribe.

(3) NONSUPPLANTATION.—Amounts made available under this section shall be used to supplement and not supplant other Federal, State, and local funds expended to further the purpose of this section.

SEC. 202. SHELTERS FOR BATTERED WOMEN AND CHILDREN.

(a) STATE SHELTER GRANTS; DIRECT EMERGENCY ASSISTANCE.—Section 303 of the Family Violence Prevention and Services Act (42 U.S.C. 10402) is amended—

(1) in subsection (a)(2)—

(A) by redesignating subparagraph (G) as subparagraph (H); and

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

''(G) provide documentation, including memoranda of understanding, of the specific involvement of the State domestic violence coalition and other knowledgeable individuals and interested organizations, in the development of the application; and''; and

(2) in subsection (c)—

(A) by striking ''No funds provided'' and inserting ''(1) Except as provided in paragraph (2), no funds provided''; and

(B) by inserting after the period the following:

''(2) Not more than 1 percent of the funds appropriated to carry out this section and distributed under subsection (a) or (b) may be used to provide emergency assistance, such as transportation and housing assistance, directly to victims of family violence, or to the dependents of such victims, who are in the process of fleeing an abusive situation. Any entity that provides such assistance shall annually prepare and submit to the Secretary a report specifying, and describing the distribution of, funds provided pursuant to this paragraph. The report shall not contain information identifying an individual recipient of such assistance.''.

(b) STATE MINIMUM; REALLOTMENT.—Section 304 of the Family Violence Prevention and Services Act (42 U.S.C. 10403) is amended—

(1) in subsection (a), by striking ''for grants to States for any fiscal year'' and all that follows and inserting the following:

''and available for grants to States under this subsection for any fiscal year—

''(1) Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the combined Freely Associated States shall each be allotted not less than ⅛ of 1 percent of the amounts available for grants under section 303(a) for the fiscal year for which the allotment is made; and

''(2) each State shall be allotted for payment in a grant authorized under section 303(a) $500,000, with the remaining funds to be allotted to each State in an amount that bears the same ratio to such remaining funds as the population of such State bears to the population of all States.'';

(2) in subsection (c), in the first sentence, by inserting ''and available'' before ''for grants'';

(3) in subsection (d)—

(A) by redesignating paragraph (2) as paragraph (3);

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

''(2) If, at the end of the sixth month of a fiscal year for which sums are appropriated under section 310—

''(A) the entire portion of such sums that is made available for grants under section 303(b) has not been distributed to Indian tribes and organizations described in section 303(b) in grants because of the failure of 1 or more of the tribes or organizations to meet the requirements for such a grant, the Secretary shall—

''(i) use the remainder of the portion to make grants under section 303(b) to Indian tribes and organizations who meet the requirements; and

''(ii) make the grants in proportion to the original grants made to the tribes and organizations under section 303(b) for such year.''; and

(C) in paragraph (3) (as redesignated in subparagraph (A)) by inserting ''or distribution under section 303(b)'' after ''303(a)''; and

(4) by adding at the end the following:

''(e) In subsection (a)(2), the term 'State' does not include any jurisdiction specified in subsection (a)(1).''.

(c) SECRETARIAL RESPONSIBILITIES.—Section 305(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10404(a)) is amended—

(1) by striking ''an employee'' and inserting ''1 or more employees'';

(2) by striking ''of this title.'' and inserting ''of this title, including carrying out evaluation and monitoring under this title.''; and

(3) by striking ''individual'' and inserting ''individuals''.

(d) RESOURCE CENTERS.—Section 308 of the Family Violence Prevention and Services Act (42 U.S.C. 10407) is amended—

(1) in subsection (a)(2)—

(A) by striking the following:

''(2) GRANTS.—From the amounts'' and inserting the following:

''(2) GRANTS.—

''(A) CENTERS.—From the amounts'';

(B) by inserting ''on providing information, training, and technical assistance'' after ''focusing''; and

(C) by inserting after the period the following:

''(B) INITIATIVES.—From such amounts, the Secretary may award grants to private nonprofit organizations for information, training, and technical assistance initiatives in the subject areas identified in subsection (c), if—

''(i) such initiatives do not duplicate the activities of the entities operating the special issue resource centers provided for in subsection (c); and

''(ii) the total amounts awarded for all such initiatives do not exceed the lesser of $500,000 or 7 percent of the funds appropriated for making grants under this section.''; and

(2) in subsection (c), by adding at the end the following:

''(8) Providing technical assistance and training to local entities carrying out domestic violence programs that provide shelter or related assistance.

''(9) Improving access to services, information, and training, concerning family violence, within Indian tribes and Indian tribal agencies.

''(10) Responding to emerging issues in the field of family violence that the Secretary may identify in consultation with advocates for local entities carrying out domestic violence programs that provide shelter or related assistance, State domestic violence coalitions, and national domestic violence organizations.''.

(e) REAUTHORIZATION.—Section 310(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10409(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title—

''(A) $150,000,000 for fiscal year 2000;

''(B) $175,000,000 for fiscal year 2001; and

''(C) $175,000,000 for fiscal year 2002.

''(2) SOURCE OF FUNDS.—Amounts made available under paragraph (1) may be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211).''.

(f) LIMITATION ON FUNDS.—Section 310 of the Family Violence Prevention and Services Act (42 U.S.C. 10409), as amended by subsection (e), is amended—

(1) in subsection (b), by striking ''under subsection 303(a)'' and inserting ''under section 303(a)'';

(2) in subsection (c), by inserting ''not more than the lesser of $7,500,000 or'' before ''5'';

(3) in subsection (d)—

(A) by striking the following:

''(d) GRANTS FOR STATE COALITIONS.—Of the amounts'' and inserting the following:

''(d) GRANTS FOR STATE COALITIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), of the amounts''; and

(B) by inserting after the period the following:

''(2) APPROPRIATIONS EXCEEDING $110,000,000.—If the total amount appropriated under subsection (a) for a fiscal year exceeds $110,000,000, the Secretary shall use, for making grants under section 311, not less than—

''(A) $11,000,000; plus

''(B) 8 percent of the amount appropriated under such subsection for such fiscal year in excess of $110,000,000.'';

(4) by redesignating subsection (e) as subsection (f); and

(5) by inserting after subsection (d) the following:

''(e) EVALUATION, MONITORING, AND ADMINISTRATION.—Of the amounts appropriated under subsection (a) for each fiscal year, not more than $1,200,000 shall be used by the Secretary for evaluation, monitoring, and administrative costs under this title.''.

(g) NEEDS ASSESSMENT.—Title III of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) is amended by adding at the end the following:

''SEC. 319. NEEDS ASSESSMENT.

''In carrying out this title, the Secretary shall provide for the conduct of a nationwide needs assessment relating to the programs carried out under this title.''.

(h) MODEL LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION IN UNDERSERVED COMMUNITIES.—

(1) IN GENERAL.—Title III of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as amended by subsection (g), is amended by adding at the end the following:

''SEC. 320. MODEL LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION IN UNDERSERVED COMMUNITIES.

''(a) GRANTS.—

''(1) IN GENERAL.—The Secretary may award grants to develop and implement model community intervention strategies to address family violence in underserved populations (as such term is defined in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2)).

''(2) LIMITATIONS.—In awarding grants under paragraph (1), the Secretary shall award grants to not more than 10 State domestic violence coalitions and to not more than 10 local entities that carry out domestic violence programs providing shelter or related assistance.

''(3) PURPOSES.—Grants awarded under paragraph (1) shall be used for—

''(A) assessing the needs of underserved populations in the State involved;

''(B) building collaborative relationships between the grant recipients and community-based organizations serving underserved populations; and

''(C) developing and implementing model community intervention strategies to decrease the incidence of family violence in underserved populations.

''(4) PERIODS.—The Secretary shall award grants under paragraph (1) for periods of not more than 3 years.

''(b) ELIGIBILITY.—

''(1) INITIAL ELIGIBILITY.—To be eligible for an initial year of funding through a grant awarded under subsection (a)(1), an applicant shall—

''(A) submit to the Secretary an application containing an acceptable plan for assessing the needs of underserved populations for the model community intervention strategies described in subsection (a)(3)(C), and identifying a specific population for development of such an intervention strategy, in the first year of the grant; and

''(B) demonstrate to the Secretary inclusion of representatives from community-based organizations in underserved communities in planning and designing the needs assessment under subparagraph (A).

''(2) CONTINUED ELIGIBILITY.—To be eligible for continued funding for not more than 2 additional years through a grant awarded under subsection (a)(1), a recipient of funding for the initial year shall submit to the Secretary an application containing—

''(A) a plan for implementing the intervention strategy, and specifying the collaborative relationships with community-based organizations serving the identified underserved populations to be supported under the grant; and

''(B) a plan for disseminating the intervention strategy throughout the State and, at the option of the recipient, to other States.

''(c) PRIORITY FOR COLLABORATIVE FUNDING.—

''(1) IN GENERAL.—In awarding grants under subsection (a)(1), the Secretary shall give

priority to State domestic violence coalitions, and local entities that carry out domestic violence programs, that submit applications in collaboration with community-based organizations serving underserved populations.

''(2) AMOUNTS.—The Secretary shall award grants under subsection (a)(1) to coalitions and entities described in paragraph (1) in amounts of not less than $100,000 per fiscal year.''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 310 of the Family Violence Prevention and Services Act (42 U.S.C. 10409), as amended by subsection (f), is further amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following:

''(f) REDISTRIBUTION OF FUNDS AVAILABLE DUE TO CERTAIN LIMITATIONS.—

''(1) APPROPRIATIONS EXCEEDING $110,000,000.—Except as provided in paragraph (2), if the total amount appropriated under subsection (a) for a fiscal year exceeds $110,000,000, the Secretary shall use not less than 2 percent of the amount appropriated under such subsection for such fiscal year in excess of $110,000,000 for making grants under section 303 or 320.

''(2) APPROPRIATIONS EXCEEDING $150,000,000.—If the total amount appropriated under subsection (a) for a fiscal year exceeds $150,000,000, the Secretary shall use not less than 7 percent of the amount appropriated under such subsection for such fiscal year in excess of $150,000,000 for making grants under section 303 or 320.''.

(i) CONFORMING AMENDMENTS.—

(1) Section 303(b)(2) of the Family Violence Prevention and Services Act (42 U.S.C. 10402(b)(2)) is amended, in the second sentence, by striking ''(D), (E) and (F)'' and inserting ''(D), (E), (F), and (G)''.

(2) Section 306 of the Family Violence Prevention and Services Act (42 U.S.C. 10405) is amended, in the second sentence, by striking ''section 303(a)(2)(B) through 303(a)(2)(F)'' and inserting ''subparagraphs (B) through (G) of section 303(a)(2)''.

(3) Section 309(6) of the Family Violence Prevention and Services Act (42 U.S.C. 10408(6)) is amended by striking ''the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands'' and inserting ''the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the combined Freely Associated States''.

(4) Section 311(c) of the Family Violence Prevention and Services Act (42 U.S.C. 10410(c)) is amended by striking ''the U.S. Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands'' and inserting ''the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States''.

SEC. 203. VICTIMS OF ABUSE INSURANCE PROTECTION.

(a) DEFINITIONS.—In this section—

(1) ABUSE.—The term ''abuse'' means the occurrence of 1 or more of the following acts by a current or former household or family member, intimate partner, or caretaker:

(A) Attempting to cause or causing another person bodily injury, physical harm, substantial emotional distress, psychological trauma, rape, sexual assault, or involuntary sexual intercourse.

(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority and under circumstances that place the person in reasonable fear of bodily injury or physical harm.

(C) Subjecting another person to false imprisonment or kidnaping.

(D) Attempting to cause or causing damage to property so as to intimidate or attempt to control the behavior of another person.

(2) ADVERSE ACTION.—The term ''adverse action'' means—

(A) denying, refusing to issue, renew, or reissue, or canceling or otherwise terminating an insurance policy or health benefit plan;

(B) restricting, excluding, or limiting insurance or health benefit plan coverage or denying or limiting payment of a claim incurred by an insured, except as otherwise permitted or required by State laws relating to life insurance beneficiaries; or

(C) adding a premium differential to any insurance policy or health benefit plan.

(3) HEALTH BENEFIT PLAN.—The term ''health benefit plan'' means any public or private entity or program that provides for payments for health care, including—

(A) a group health plan (as defined in section 607 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167)) or a multiple employer welfare arrangement (as defined in section 3(40) of such Act (29 U.S.C. 1102(40)) that provides health benefits;

(B) any arrangement consisting of a hospital or medical expense incurred policy or certificate, hospital or medical service plan contract, or health maintenance organization subscriber contract;

(C) workers' compensation or similar insurance to the extent that it relates to workers' compensation medical benefits (as defined by the Federal Trade Commission); and

(D) automobile medical insurance to the extent that it relates to medical benefits (as defined by the Federal Trade Commission).

(4) HEALTH CARRIER.—The term ''health carrier'' means a person that contracts or offers to contract on a risk-assuming basis to provide, deliver, arrange for, pay for, or reimburse any of the cost of health care services, including a sickness and accident insurance company, a health maintenance organization, a nonprofit hospital and health service corporation or any other entity providing a plan of health insurance, health benefits, or health services.

(5) INNOCENT INSURED.—The term ''innocent insured'' means a subject of abuse who—

(A) is insured under the same policy as the abuser; and

(B) is not, taking into account all the facts and circumstances, the cause of any claim incurred or any claim that may incur.

(6) INSURED.—The term ''insured'' means a party named on a policy, certificate, or health benefit plan, including an individual, corporation, partnership, association, unincorporated organization, or any similar entity, as the person with legal rights to the benefits provided by the policy, certificate, or health benefit plan, including (for purposes of group insurance) a person who is a beneficiary covered by a group policy, certificate, or health benefit plan, and including (for purposes of life insurance) the person whose life is covered under an insurance policy.

(7) INSURER.—The term ''insurer'' means any person, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or other legal entity engaged in the business of insurance, including agents, brokers, adjusters, and third party administrators, and includes health benefit plans, health carriers, and life, disability, and property and casualty insurers.

(8) PERSONAL IDENTIFYING INFORMATION.—The term ''personal identifying information'' means information that identifies an individual, including an individual's photograph, social security number, driver identification number, name, address, telephone number, place of employment, and medical, disability, or abuse status.

(9) POLICY.—The term ''policy'' means a contract of insurance, certificate, indemnity, suretyship, or annuity issued, proposed for issuance, or intended for issuance by an insurer, including endorsements or riders to an insurance policy or contract.

(10) SUBJECT OF ABUSE.—The term ''subject of abuse'' means a person—

(A) against whom an act of abuse has been directed;

(B) who has prior or current injuries, illnesses, or disorders that resulted from abuse;

(C) who seeks, may have sought, or had reason to seek medical or psychological treatment for abuse or protection or shelter from abuse; or

(D) who has incurred or may incur a claim as a result of abuse.

(b) ACTS AGAINST SUBJECTS OF ABUSE.—

(1) DISCRIMINATORY ACTS PROHIBITED.—

(A) IN GENERAL.—No insurer may, directly or indirectly, take any adverse action against an applicant or insured on the basis that the applicant or insured, or any person employed by the applicant or insured or with whom the applicant or insured is known to have a relationship or association is, has been, or may be the subject of abuse.

(B) INNOCENT INSURED.—No insurer may, directly or indirectly, take any adverse action against an innocent insured.

(2) REASONS FOR ADVERSE ACTIONS.—An insurer that takes an adverse action against a known subject of abuse shall advise the applicant or insured of the specific reasons for the action in writing. Reference to general underwriting practices or guidelines shall not constitute a specific reason.

(3) USE OF INFORMATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an insurer, and any officer, employee, or contractor thereof, shall not knowingly disclose or otherwise make available to any person or entity personal identifying information about a subject of abuse.

(B) EXCEPTION.—Personal identifying information referred to in subparagraph (A) may be disclosed—

(i) with the informed, written consent of the subject of abuse at the time the disclosure is sought;

(ii) if such information is necessary for the provision of or the payment for services provided by the insurer or is incident to the ordinary course of business of the insurer; or

(iii) to a law enforcement agency pursuant to a warrant issued under the Federal Rules of Criminal Procedure, an equivalent State warrant, a grand jury subpoena, or a court order.

(C) RULE OF CONSTRUCTION.—Nothing in subparagraph (B) shall be construed to permit an insurer to disclose personal identifying information about a subject of abuse to a current or former household or family member, intimate partner, or caretaker of the subject of abuse.

(c) ENFORCEMENT.—

(1) FEDERAL TRADE COMMISSION.—

(A) IN GENERAL.—The Federal Trade Commission shall have the power to examine and investigate any insurer to determine whether such insurer has been, or is, in violation of subsection (b) if the violation involved is not prohibited under other Federal or State law or is prohibited under State law but in the opinion of the Commission is not being enforced by the State.

(B) REMEDIES.—If the Federal Trade Commission determines that an insurer has been, or is, in violation of subsection (b)—

(i) in the case of a violation of Federal or State law, the Commission shall transmit such information to the appropriate enforcement authority; and

(ii) in the case of a violation that is not prohibited under other Federal or State law, or is prohibited under State law but in the opinion of the Commission is not being enforced by the State, the Commission may take action against such insurer as if the insurer was in violation of section 5 of the Federal Trade Commission Act by issuing a cease and desist order, which may include any individual relief warranted under the circumstances, including temporary, preliminary, and permanent injunctive and compensatory relief.

(2) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—An applicant or insured who believes that the applicant or insured has been affected by a violation under subsection (b) may bring an action against the insurer in a Federal or State court of original jurisdiction.

(B) REMEDIES.—In an action under subparagraph (A), upon proof of conduct of a violation of subsection (b) by a preponderance of the evidence, the court may award appropriate relief, including—

(i) temporary, preliminary, and permanent injunctive relief;

(ii) actual damages, in an amount that is not less than liquidated damages in the amount of $5,000 per violation;

(iii) punitive damages;

(iv) reasonable attorneys' fees and other litigation costs reasonably incurred, including the costs of expert witnesses; and

(v) such other preliminary and equitable relief as the court determines to be appropriate.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a life insurer from declining to issue a life insurance policy if the applicant or prospective owner of the policy is or would be designated as a beneficiary of the policy and if—

(1) the applicant or prospective owner of the policy lacks an insurable interest in the insured; or

(2) the applicant or prospective owner of the policy is known, on the basis of police or court records, to have committed an act of abuse against the proposed insured.

(e) EFFECTIVE DATE.—This section shall apply with respect to any action taken after December 31, 1998.

SEC. 204. NATIONAL DOMESTIC VIOLENCE HOTLINE.

(a) REAUTHORIZATION.—Section 316(f)(1) of the Family Violence Prevention and Services Act (42 U.S.C. 10416(f)(1)) is amended to read as follows:

''(1) IN GENERAL.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(A) $3,600,000 for fiscal year 2000;

''(B) $3,800,000 for fiscal year 2001; and

''(C) $4,000,000 for fiscal year 2002.''.

(b) REPORT BY GRANT RECIPIENTS.—Section 316 of the Family Violence Prevention and Services Act (42 U.S.C. 10416) is amended by adding at the end the following:

''(g) REPORT BY GRANT RECIPIENTS.—

''(1) IN GENERAL.—Not later than 90 days after the date of enactment of this subsection, each recipient of a grant under this section shall prepare and submit to the Secretary a report that contains—

''(A) an evaluation of the effectiveness of the activities carried out by the recipient with amounts received under this section; and

''(B) such other information as the Secretary may prescribe.

''(2) NOTICE AND PUBLIC COMMENT.—Before renewing any grant under this section for a recipient, the Secretary shall publish in the Federal Register a copy of the report submitted by the recipient under this subsection and allow not less than 90 days for notice of and opportunity for public comment on the published report.''.

SEC. 205. FEDERAL VICTIMS' COUNSELORS.

Section 40114 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 1910)) is amended by striking ''Columbia)—'' and all that follows before the period and inserting ''Columbia) $1,000,000 for each of fiscal years 2000 through 2002''.

SEC. 206. BATTERED WOMEN'S EMPLOYMENT PROTECTION.

(a) ENTITLEMENT TO LEAVE FOR NON-FEDERAL EMPLOYEES.—

(1) DEFINITIONS.—Section 101 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2611) is amended by adding at the end the following:

''(14) ADDRESSING DOMESTIC VIOLENCE AND ITS EFFECTS.—The term 'addressing domestic violence and its effects' means—

''(A) seeking medical attention for or recovering from injuries caused by domestic violence;

''(B) seeking legal assistance or remedies, including communicating with the police or an attorney, or participating in any legal proceeding, related to domestic violence;

''(C) obtaining psychological or other counseling related to experiences of domestic violence;

''(D) participating in safety planning and other actions to increase safety from future domestic violence, including temporary or permanent relocation;

''(E) being unable to attend or perform work due to an incident of domestic violence, including an act or threat of violence, stalking, coercion, or harassment, occurring within the previous 72 hours; and

''(F) participating in any other activity necessitated by domestic violence that must be undertaken during the hours of employment involved.

''(15) DOMESTIC VIOLENCE.—The term 'domestic violence' has the meaning given such term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) LEAVE REQUIREMENT.—Section 102 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612) is amended—

(A) in subsection (a)(1), by adding at the end the following:

''(E) In order to care for the son, daughter, or parent of the employee, if such son, daughter, or parent is addressing domestic violence and its effects.

''(F) Because the employee is addressing domestic violence and its effects, which make the employee unable to perform the functions of the position of such employee.'';

(B) in subsection (b), by adding at the end the following:

''(3) DOMESTIC VIOLENCE.—Leave under subparagraph (E) or (F) of subsection (a)(1) may be taken by an eligible employee intermittently or on a reduced leave schedule. The taking of leave intermittently or on a reduced leave schedule pursuant to this paragraph shall not result in a reduction in the total amount of leave to which the employee is entitled under subsection (a) beyond the amount of leave actually taken.'';

(C) in subsection (d)(2)(B), by striking ''(C) or (D)'' and inserting ''(C), (D), (E), or (F)''; and

(D) in subsection (e)(2), by striking ''or (D)'' and inserting '', (D), (E), or (F)''.

(3) CERTIFICATION.—Section 103 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2613) is amended—

(A) in the heading of the section, by inserting before the period the following: ''**; CONFIDENTIALITY**''; and

(B) by adding at the end the following:

''(f) DOMESTIC VIOLENCE.—In determining if an employee meets the requirements of subparagraph (E) or (F) of section 102(a)(1), the employer of an employee may require the employee to provide—

''(1) documentation of the domestic violence involved, such as a police or court record, or documentation of the domestic violence from a shelter worker, attorney, member of the clergy, or medical or other professional from whom the employee has sought assistance in addressing domestic violence and its effects; or

''(2) other corroborating evidence, such as a statement from any other individual with knowledge of the circumstances that provide the basis for the claim of domestic violence, or physical evidence of domestic violence, such as a photograph or torn or bloody clothing.

''(g) CONFIDENTIALITY.—All evidence provided to the employer under subsection (f) of domestic violence experienced by an employee or the son, daughter, or parent of an employee, including a statement of an employee, any corroborating evidence, and the fact that an employee has requested leave for the purpose of addressing, or caring for a son, daughter, or parent who is addressing, domestic violence and its effects, shall be retained in the strictest confidence by the employer, except to the extent that disclosure is consented to by the employee in a case in which disclosure is necessary to protect the safety of the employee or a co-worker of the employee, or requested by the employee to document domestic violence to a court or agency.''.

(b) ENTITLEMENT TO LEAVE FOR FEDERAL EMPLOYEES.—

(1) DEFINITIONS.—Section 6381 of title 5, United States Code, is amended—

(A) at the end of paragraph (5), by striking ''and'';

(B) in paragraph (6), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(7) the term 'addressing domestic violence and its effects' means—

''(A) seeking medical attention for or recovering from injuries caused by domestic violence;

''(B) seeking legal assistance or remedies, including communicating with the police or an attorney, or participating in any legal proceeding, related to domestic violence;

''(C) obtaining psychological or other counseling related to experiences of domestic violence;

''(D) participating in safety planning and other actions to increase safety from future domestic violence, including temporary or permanent relocation;

''(E) being unable to attend or perform work due to an incident of domestic violence, including an act or threat of violence, stalking, coercion, or harassment, occurring within the previous 72 hours; and

''(F) participating in any other activity necessitated by domestic violence that must be

undertaken during the hours of employment involved; and

''(8) the term 'domestic violence' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) LEAVE REQUIREMENT.—Section 6382 of title 5, United States Code, is amended—

(A) in subsection (a)(1), by adding at the end the following:

''(E) In order to care for the son, daughter, or parent of the employee, if such son, daughter, or parent is addressing domestic violence and its effects.

''(F) Because the employee is addressing domestic violence and its effects, which make the employee unable to perform the functions of the position of such employee.'';

(B) in subsection (b), by adding at the end the following:

''(3) Leave under subparagraph (E) or (F) of subsection (a)(1) may be taken by an employee intermittently or on a reduced leave schedule. The taking of leave intermittently or on a reduced leave schedule pursuant to this paragraph shall not result in a reduction in the total amount of leave to which the employee is entitled under subsection (a) beyond the amount of leave actually taken.'';

(C) in subsection (d), by striking ''(C), or (D)'' and inserting ''(C), (D), (E), or (F)''; and

(D) in subsection (e)(2), by striking ''or (D)'' and inserting '', (D), (E), or (F)''.

(3) CERTIFICATION.—Section 6383 of title 5, United States Code, is amended—

(A) in the heading of the section, by adding at the end the following: ''**; confidentiality**''; and

(B) by adding at the end the following:

''(f) In determining if an employee meets the requirements of subparagraph (E) or (F) of section 6382(a)(1), the employing agency of an employee may require the employee to provide—

''(1) documentation of the domestic violence involved, such as a police or court record, or documentation of the domestic violence from a shelter worker, attorney, member of the clergy, or medical or other professional from whom the employee has sought assistance in addressing domestic violence and its effects; or

''(2) other corroborating evidence, such as a statement from any other individual with knowledge of the circumstances that provide the basis for the claim of domestic violence, or physical evidence of domestic violence, such as a photograph or torn or bloody clothing.

''(g) All evidence provided to the employing agency under subsection (f) of domestic violence experienced by an employee or the son, daughter, or parent of an employee, including a statement of an employee, any corroborating evidence, and the fact that an employee has requested leave for the purpose of addressing, or caring for a son, daughter, or parent who is addressing, domestic violence and its effects, shall be retained in the strictest confidence by the employing agency, except to the extent that disclosure is consented to by the employee in a case in which disclosure is necessary to protect the safety of the employee or a co-worker of the employee, or requested by the employee to document domestic violence to a court or agency.''.

(c) EFFECT ON OTHER LAWS AND EMPLOYMENT BENEFITS.—

(1) MORE PROTECTIVE LAWS, AGREEMENTS, PROGRAMS, AND PLANS.—Nothing in this section or the amendments made by this section shall be construed to supersede any provision of any Federal, State, or local law, collective bargaining agreement, or other employment benefit program or plan that provides greater leave benefits for employed victims of domestic violence than the rights established under this section or such amendments.

(2) LESS PROTECTIVE LAWS, AGREEMENTS, PROGRAMS, AND PLANS.—The rights established for employees under this section or the amendments made by this section shall not be diminished by any State or local law, collective bargaining agreement, or employment benefit program or plan.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that is 180 days after the date of enactment of this Act.

SEC. 207. ENSURING UNEMPLOYMENT COMPENSATION.

(a) UNEMPLOYMENT COMPENSATION.—Section 3304 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a)—

(A) by striking ''and'' at the end of paragraph (18);

(B) by redesignating paragraph (19) as paragraph (20); and

(C) by inserting after paragraph (18) the following:

''(19) compensation is to be provided where an individual is separated from employment due to circumstances directly resulting from the individual's experience of domestic violence; and''; and

(2) by adding at the end the following:

''(g) CONSTRUCTION.—

''(1) IN GENERAL.—For purposes of subsection (a)(19), an employee's separation from employment shall be treated as due to circumstances directly resulting from the individual's experience of domestic violence if the separation resulted from—

''(A) the employee's reasonable fear of future domestic violence at or en route to or from the employee's place of employment;

''(B) the employee's wish to relocate to another geographic area in order to avoid future domestic violence against the employee or the employee's family;

''(C) the employee's need to recover from traumatic stress resulting from the employee's experience of domestic violence;

''(D) the employer's denial of the employee's request for the temporary leave from employment to address domestic violence and its effects authorized by subparagraphs (E) and (F) of section 102(a)(1) of the Family and Medical Leave Act of 1993; or

''(E) any other circumstance in which domestic violence causes the employee to reasonably believe that termination of employment is necessary for the future safety of the employee or the employee's family.

''(2) REASONABLE EFFORTS TO RETAIN EMPLOYMENT.—For purposes of subsection (a)(19), if State law requires the employee to have made reasonable efforts to retain employment as a condition for receiving unemployment compensation, such requirement shall be met if the employee—

''(A) sought protection from, or assistance in responding to, domestic violence, including calling the police or seeking legal, social work, medical, clergy, or other assistance;

''(B) sought safety, including refuge in a shelter or temporary or permanent relocation, whether or not the employee actually obtained such refuge or accomplished such relocation; or

''(C) reasonably believed that options such as taking a leave of absence, transferring jobs, or receiving an alternative work schedule would not be sufficient to guarantee the employee or the employee's family's safety.

''(3) ACTIVE SEARCH FOR EMPLOYMENT.—For purposes of subsection (a)(19), if State law requires the employee to actively search for employment after separation from employment as a condition for receiving unemployment compensation, such requirement shall be treated as met where the employee is temporarily unable to actively search for employment because the employee is engaged in seeking safety or relief for the employee or the employee's family from domestic violence, including—

''(A) going into hiding or relocating or attempting to do so, including activities associated with such hiding or relocation, such as seeking to obtain sufficient shelter, food, schooling for children, or other necessities of life for the employee or the employee's family;

''(B) actively pursuing legal protection or remedies, including meeting with the police, going to court to make inquiries or file papers, meeting with attorneys, or attending court proceedings; or

''(C) participating in psychological, social, or religious counseling or support activities to assist the employee in ending domestic violence.

''(4) PROVISION OF INFORMATION TO MEET CERTAIN REQUIREMENTS.—In determining if an employee meets the requirements of paragraphs (1), (2), and (3), the unemployment agency of the State in which an employee is requesting unemployment compensation by reason of subsection (a)(19) may require the employee to provide—

''(A) documentation of the domestic violence, such as police or court records, or documentation of the domestic violence from a shelter worker or an employee of a domestic violence program, an attorney, a clergy member, or a medical or other professional from whom the employee has sought assistance in addressing domestic violence and its effects; or

''(B) other corroborating evidence, such as a statement from any other individual with knowledge of the circumstances which provide the basis for the claim, or physical evidence of domestic violence, such as photographs, torn or bloody clothes.

All evidence of domestic violence experienced by an employee, including an employee's statement, any corroborating evidence, and the fact that an employee has applied for or inquired about unemployment compensation available by reason of subsection (a)(19) shall be retained in the strictest confidence by such State unemployment agency, except to the extent consented to by the employee where disclosure is necessary to protect the employee's safety.

''(5) EFFECT OF CLAIMS.—Claims filed for unemployment compensation solely by reason of subsection (a)(19) shall be disregarded in determining an employer's State unemployment taxes based on unemployment experience.''.

(b) SOCIAL SECURITY PERSONNEL TRAINING.—Section 303(a) of the Social Security Act (42 U.S.C. 503(a)) is amended by redesignating paragraphs (4) through (10) as paragraphs (5) through (11), respectively, and by inserting after paragraph (3) the following:

''(4) Such methods of administration as will ensure that claims reviewers and hearing personnel are adequately trained in the nature and dynamics of claims for unemployment compensation based on domestic violence under section 3304(a)(20) of the Internal Revenue Code of 1986 and in methods of ascertaining and keeping confidential information about possible experiences of domestic violence to ensure that requests for unemployment compensation based on domestic violence are reliably screened, identified,

and adjudicated, and to ensure that complete confidentiality is provided for the employee's claim and submitted evidence.''.

(c) DEFINITIONS.—Section 3306 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(u) DOMESTIC VIOLENCE.—In this chapter, the term 'domestic violence' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply in the case of compensation paid for weeks beginning 180 days after the date of enactment of this Act.

(2) MEETING OF STATE LEGISLATURE.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by this section, the amendments made by this Act shall apply in the case of compensation paid for weeks beginning after the earlier of—

(A) the date the State changes its statutes or regulations in order to comply with the amendments made by this section; or

(B) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for not less than 25 calendar days after such date;

except that in no case shall the amendments made by this Act apply before the date which is 180 days after the date of enactment of this Act. For purposes of the preceding sentence, the term ''session'' means a regular, special, budget, or other session of a State legislature.

SEC. 208. BATTERED IMMIGRANT WOMEN.

(a) FINDINGS.—Congress finds that—

(1) the goal of the immigration protections for battered immigrants included in the Violence Against Women Act of 1994 was to remove immigration laws as a barrier that kept battered immigrant women and children locked in abusive relationships;

(2) providing battered immigrant women and children who were experiencing domestic violence at home with protection against deportation allows them to obtain protection orders against their abusers and frees them to cooperate with law enforcement and prosecutors in criminal cases brought against their abusers and the abusers of their children; and

(3) there are several groups of battered immigrant women and children who do not have access to the immigration protections of the Violence Against Women Act of 1994, which means that their abusers are virtually immune from prosecution because their victims can be deported and the Immigration and Naturalization Service cannot offer them protection no matter how compelling their case under existing law.

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

(1) to promote criminal prosecutions of all persons who commit acts of battery or extreme cruelty against immigrant women and children;

(2) to offer protection against domestic violence occurring in family and intimate relationships that are covered in State protection order, domestic violence, and family law statutes; and

(3) to correct erosions of Violence Against Women Act immigration protections that occurred as a result of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(c) EFFECT OF CHANGES IN ABUSERS' CITIZENSHIP STATUS.—(1) Section 204(a)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)) is amended by adding at the end the following new clause:

''(v) For the purposes of any petition filed under clause (iii) or (iv), denaturalization, loss or renunciation, or changes to the abuser's citizenship status after filing of the petition shall not preclude the classification of the eligible self-petitioning spouse or child as an immediate relative.''.

(2) Section 204(a)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)) is amended by adding at the end the following new clause:

''(iv)(I) For the purposes of petitions filed or approved under clauses (ii) and (iii), loss of lawful permanent residence status by a spouse or parent after the filing of a petition under that clause shall not preclude approval of the petition, and, for an approved petition, shall not affect the alien's ability to adjust status under section 245(a) and (c) or obtain status as a lawful permanent resident based on the approved self-petition under clauses (ii) and (iii).

''(II) Upon the lawful permanent resident spouse or parent becoming a United States citizen through naturalization, acquisition of citizenship, or other means, any petition filed with the Immigration and Naturalization Service and pending or approved under section 204(a)(1)(B) on behalf of an alien who has been battered or subjected to extreme cruelty may be deemed to be a petition filed under section 204(a)(1)(A) of this Act even if the acquisition of citizenship occurs after divorce.''.

(d) DETERMINATIONS OF GOOD MORAL CHARACTER.—

(1) CANCELLATIONS OF REMOVAL; SUSPENSIONS OF DEPORTATION.—Section 240A(b) of the Immigration and Nationality Act (8 U.S.C. 1229b) is amended by adding at the end the following:

''(4) GOOD MORAL CHARACTER DETERMINATIONS.—For the purposes of making 'good moral character' determinations under paragraph (2), the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of disqualifying criminal act or criminal conviction, in the case of an alien who has been battered or subjected to extreme cruelty but who—

''(i) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(ii) was convicted of, or pled guilty to, prostitution, if the alien was forced into prostitution by an abuser;

''(iii) was convicted of or pled guilty to committing a crime if the alien committed the crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(iv) was convicted of or pled guilty to a domestic violence-related crime if the Attorney General determines that the alien acted in self-defense.

''(5) INCLUSION OF OTHER ALIENS IN PETITION.—An alien applying for relief under section 244(a)(3) (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996) or this subsection may include—

''(A) the alien's children in the alien's application if such children are physically present in the United States at the time of application, and, if the alien is found eligible for suspension, the Attorney General may adjust the status of the alien's children; or

''(B) the alien's parent in the alien's application in the case of an application filed by an alien who was abused by a citizen or lawful permanent resident parent and, if the alien is found eligible for suspension, the Attorney General may adjust the status of both the alien applicant and the alien's parent.

''(6) DETERMINATIONS UNDER SUSPENSION OF DEPORTATION.—For the purposes of making good moral character determinations under section 244(a)(3) of the Immigration and Nationality Act (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996), the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of a disqualifying criminal act or criminal conviction, in the case of an alien who has been battered or subjected to extreme cruelty but who—

''(i) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(ii) has been convicted of, or who pled guilty to, prostitution if the alien was forced into prostitution by an abuser;

''(iii) has been convicted of, or pled guilty to committing, a crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(iv) was convicted of, or pled guilty to, a domestic violence-related crime if the Attorney General determines that the alien acted in self-defense.

(2) IMMEDIATE RELATIVE STATUS.—Section 204(a)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)) is amended by adding at the end the following new clause:

''(vi)(I) For the purposes of making good moral character determinations under this subparagraph, the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of a disqualifying criminal act or criminal conviction, in the case of an alien who otherwise qualifies for relief under section 204(a)(1)(A) (iii) or (iv), but who—

''(aa) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(bb) was convicted of, or pled guilty to, prostitution if the alien was forced into prostitution by an abuser;

''(cc) was convicted of, or pled guilty to, committing a crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(dd) was convicted of, or pled guilty to, a domestic violence-related crime, if the Attorney General determines that the alien acted in self-defense.

''(II) After finding that an alien has been battered or subjected to extreme cruelty and is otherwise eligible for relief under section 204(a)(1)(A) (iii) or (iv), the Attorney General may make a finding of 'good moral character' with respect to the alien, notwithstanding the existence of a disqualifying criminal act or criminal conviction.''.

(3) SECOND PREFERENCE IMMIGRATION STATUS—Section 204(a)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(B)) is amended by adding at the end the following new clause:

''(v)(I) For the purposes of making good moral character determinations under this subparagraph, the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of a disqualifying criminal act or criminal conviction, in the case of an alien who otherwise qualifies for relief under section 204(a)(1)(B) (ii) and (iii), but who—

''(aa) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(bb) was convicted of, or pled guilty to, prostitution where the alien was forced into prostitution by an abuser;

''(cc) was convicted of, or pled guilty to, committing a crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(dd) was convicted of, or pled guilty to, a domestic violence-related crime, if the Attorney General determines that the alien acted in self-defense.

''(II) After finding that an alien has been battered or subjected to extreme cruelty and is otherwise eligible for relief under section 204(a)(1)(B) (ii) or (iii), the Attorney General may in the Attorney General's sole discretion make a finding of good moral character with respect to the alien, notwithstanding the existence of a disqualifying criminal act or criminal conviction.''.

(e) WAIVERS OF INADMISSIBILITY.—(1) Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by adding at the end the following new subsection:

''(p) The Attorney General, in the Attorney General's discretion, may waive any provision of section 212 (other than subsection (a)(3), (10)(A), (10)(D), and (10)(E)) for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest for any alien who qualifies for—

''(1) status under clause (iii) or (iv) of section 204(a)(1)(A) or classification under clause (ii) or (iii) of section 204(a)(1)(B); or

''(2) relief under section 240A(b)(2) or 244(a)(3) (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996).''.

(2) Section 212(h)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(h)(1)) is amended—

(A) at the end of subparagraph (A), by striking ''or'';

(B) at the end of subparagraph (B), by striking ''and'' and inserting ''or''; and

(C) by adding at the end the following new subparagraph:

''(C) in the case of an alien who qualifies for status under clause (iii) or (iv) of section 204(a)(1)(A) or classification under clause (ii) or (iii) of section 204(a)(1)(B) or who qualifies for relief under section 240A(b)(2), or section 244(a)(3) (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996), if it is established to the satisfaction of the the Attorney General that the alien's admission would further humanitarian purposes, ensure family unity, or otherwise be in the public interest; and''.

(3) Section 212(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)) is amended by adding at the end the following new subparagraph:

''(G) EXCEPTIONS.—The provisions of this paragraph shall not apply to deny admissibility to an alien if the Attorney General has approved the alien's self-petition or application pursuant to section 204(a)(1)(A) (iii) or (iv), 204(a)(1)(B) (ii) or (iii), 240A(b)(2), or 244(a)(3) (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note).

(f) WAIVER OF CERTAIN REMOVAL GROUNDS.—Section 237(a)(2)(E) of the Immigration and Nationality Act (8 U.S.C. 1227(a)(2)(E)) is amended by inserting at the end the following new clause:

''(iii) WAIVER.—The Attorney General may waive the application of clauses (i) and (ii)—

''(I) upon determination that—

''(aa) the alien was acting in self-defense,

''(bb) the alien was not the primary perpetrator of violence in the relationship,

''(cc) the alien was found to have violated a protection order intended to protect the alien, or

''(dd) the alien was convicted of committing a crime under duress from the person who subjected the alien to battering or extreme cruelty, or

''(II) for humanitarian purposes.''.

(g) PROCEDURE FOR GRANTING IMMIGRANT STATUS.—

(1) DEFINITION.—Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding at the end the following new paragraph:

''(50) The term 'intended spouse' means any alien who meets the criteria set forth in section 204(j)(1)(B) or 204(k)(1)(B).''.

(2) IMMEDIATE RELATIVE STATUS.—

(A) SELF-PETITIONING SPOUSES.—Section 204(a)(1)(A)(iii) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)(iii)) is amended to read as follows:

''(iii) An alien who is described in subsection (j) may file a petition with the Attorney General under this clause for classification of the alien (and any child of the alien if such a child has not been classified under clause (iv)) under section 201(b)(2)(A)(i) if the alien demonstrates to the Attorney General that—

''(I) the alien is residing in the United States (unless the alien's spouse, intended spouse, or parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad);

''(II) the marriage or the intent to marry the United States citizen was entered into in good faith by the alien; and

''(III) during the marriage or relationship intended by the alien to be legally a marriage, the alien or a child of the alien has been battered or has been the subject of extreme cruelty perpetrated by the alien's spouse or intended spouse.''.

(B) DEFINITION.—Section 204 of the Immigration and Nationality Act is amended (8 U.S.C. 1154) by adding at the end the following:

''(j) DEFINITION.—An alien described in subsection (a)(1)(A)(iii) is an alien—

''(1)(A) who is the spouse of a citizen of the United States; or

''(B)(i) who believed in good faith that he or she had married a citizen of the United States;

''(ii) whose marriage to such citizen would otherwise meet the definition of qualifying marriage under section 216(d)(1)(A)(i); and

''(iii) who otherwise meets any applicable requirements under this Act to establish the existence of and bona fides of a marriage;

but whose marriage is not legitimate solely because of the bigamy of such citizen of the United States;

''(2) who is a person of good moral character;

''(3) who is eligible to be classified as an immediate relative under section 201(b)(2)(A)(i) or who would have been so classified but for the bigamy of the citizen of the United States that the alien intended to marry; and

''(4) who has resided in the United States with the alien's spouse or intended spouse, or has resided within or outside the territory of the United States with the citizen spouse at the assigned foreign duty station if the alien's spouse or intended spouse is an employee of the Department of State or a member of the United States Armed Forces stationed abroad.''.

(C) SELF-PETITIONING CHILDREN.—Section 204(a)(1)(A)(iv) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)(iv)) is amended to read as follows:

''(iv) An alien who is the child of a citizen of the United States, who is a person of good moral character, who is eligible to be classified as an immediate relative under section 201(b)(2)(A)(i), and who has resided in the United States with the citizen parent (or has resided within or outside the territory of the United States with the citizen parent at the assigned foreign duty station if the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) may file a petition with the Attorney General under this subparagraph for classification of the alien under such section if the alien demonstrates to the Attorney General that the alien is residing in the United States (unless the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) and during the period of residence with the citizen parent in the United States or at the assigned foreign duty station the alien has been battered by or has been the subject of extreme cruelty perpetrated by the alien's citizen parent.''.

(D) FILING OF PETITIONS.—Section 204(a)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1154 (a)(1)(A)) is amended by adding at the end the following new clause:

(vii) ''An alien who is the spouse, intended spouse, or child filing under clause (iii) or (iv) of this subparagraph of an employee of the Department of State or a member of the United States Armed Forces stationed abroad eligible to file a petition under this subsection shall file such petition with the Attorney General.''.

(3) SECOND PREFERENCE IMMIGRATION STATUS.—

(A) SELF-PETITIONING SPOUSES.—Section 204(a)(1)(B)(ii) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(B)(ii)) is amended to read as follows:

''(ii) An alien who is described in subsection (k) may file a petition with the Attorney General under this clause for classification of the alien (and any child of the alien if such a child has not been classified under clause (iii)) under section 203(a)(2)(A) if the alien demonstrates to the Attorney General that—

''(I) the alien is residing in the United States (unless the alien's spouse, intended spouse, or child is an employee of the Department of State or a member of the United States Armed Forces stationed abroad);

''(II) the marriage or the intent to marry the lawful permanent resident was entered into in good faith by the alien; and

''(III) during the marriage or relationship intended by the alien to be legally a marriage, the alien or a child of the alien has been battered or has been the subject of extreme cruelty perpetrated by the alien's spouse or intended spouse.''.

(B) DEFINITION.—Section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended by adding at the end the following:

''(k) DEFINITION.—An alien described in subsection (a)(1)(B)(ii) is an alien—

''(1)(A) who is the spouse of a lawful permanent resident of the United States; or

''(B)(i) who believed in good faith that he or she had married a lawful permanent resident of the United States;

''(ii) whose marriage to such lawful permanent resident would otherwise meet the definition of qualifying marriage under section 216(d)(1)(A)(i); and

''(iii) who otherwise meets any applicable requirements under this Act to establish the existence of and bona fides of a marriage;

but whose marriage is not legitimate solely because of the bigamy of such lawful permanent resident of the United States;

''(2) who is a person of good moral character;

''(3) who is eligible to be classified as a spouse of an alien lawfully admitted for permanent residence under section 203(a)(2)(A) or who would have been so classified but for the bigamy of the lawful permanent resident of the United States that the alien intended to marry; and

''(4) who has resided in the United States with the alien's spouse or intended spouse, or has resided within or outside the territory of the United States with the lawful permanent resident spouse or intended spouse at the assigned foreign duty station if the alien's spouse or intended spouse is an employee of the Department of State or a member of the United States Armed Forces stationed abroad.''.

(C) SELF-PETITIONING CHILDREN.—Section 204(a)(1)(B)(iii) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(B)(iii)) is amended to read as follows:

''(iii) An alien who is the child of an alien lawfully admitted for permanent residence, who is a person of good moral character, who is eligible for classification under section 203(a)(2)(A), and who has resided in the United States with the alien's permanent resident alien parent (or has resided within or outside the territory of the United States with the lawful permanent resident parent at the assigned foreign duty station if the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) may file a petition with the Attorney General under this subparagraph for classification of the alien under such section if the alien demonstrates to the Attorney General that the alien is residing in the United States (unless the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) and during the period of residence with the permanent resident parent in the United States or at the assigned foreign duty station the alien has been battered by or has been the subject of extreme cruelty perpetrated by the alien's permanent resident parent.''.

(D) FILING OF PETITIONS.—Section 204(a)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1154 (a)(1)(B)) is amended by adding at the end the following new clause:

''(vi) An alien who is the spouse, intended spouse, or child filing under clauses (ii) and (iii) of this subparagraph of an employee of the Department of State or a member of the United States Armed Forces stationed abroad eligible to file a petition under this subsection shall file such petition with the Attorney General.''.

(h) ADJUSTMENT OF STATUS.—(1) Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended—

(A) in subsection (a), by inserting '', or the status of any other alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1),'' after ''into the United States'';

(B) in subsections (c)(2) and (c)(4) by inserting ''or an alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1),'' after ''other than an immediate relative as defined in section 201(b)'' each place it appears;

(C) in subsection (c)(5), by inserting ''(other than an alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1)),'' after ''an alien''; and

(D) in subsection (c)(8), by inserting ''(other than an alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1)),'' after ''any alien''.

(2) The amendments made by paragraph (1) shall apply to applications for adjustment of status pending on or made on or after the date of enactment of this Act.

(3) Section 245(d) of the Immigration and Nationality Act (8 U.S.C. 1255(d)) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to aliens who seek adjustment of status on the basis of an approved self-petition under clause (iii) or (iv) of section 204(a)(1)(A) or classification under clause (ii) or (iii) of section 204(a)(1)(B).''.

(i) ELIMINATING TIME LIMITATIONS ON MOTIONS TO REOPEN REMOVAL AND DEPORTATION PROCEEDINGS FOR VICTIMS OF DOMESTIC VIOLENCE.—

(1) REMOVAL PROCEEDINGS.—

(A) IN GENERAL.—Section 240(c)(6)(C) of the Immigration and Nationality Act (8 U.S.C. 1229a(c)(6)(C)) is amended by adding at the end the following:

''(iv) SPECIAL RULE FOR BATTERED SPOUSES AND CHILDREN.—There is no time limit on the filing of a motion to reopen, and the deadline specified in subsection (b)(5)(C) does not apply, if the basis of the motion is to apply for adjustment of status based on a petition filed under clause (iii) or (iv) of section 204(a)(1)(A), clause (ii) or (iii) of section 204(a)(1)(B), or section 240A(b)(2) and if the motion to reopen is accompanied by a cancellation of removal application to be filed with the Attorney General or by a copy of the self-petition that will be filed with the Immigration and Naturalization Service upon the granting of the motion to reopen.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the enactment of section 304 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(2) DEPORTATION PROCEEDINGS.—

(A) IN GENERAL.—Notwithstanding any limitation imposed by law on motions to reopen deportation proceedings under the Immigration and Nationality Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note)), there is no time limit on the filing of a motion to reopen such proceedings, and the deadline specified in section 242B(c)(3) of the Immigration and Nationality Act (as so in effect) does not apply, if the basis of the motion is to apply for relief under clause (iii) or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act, clause (ii) or (iii) of section 204(a)(1)(B) of such Act, or section 244(a)(3) of such Act (as so in effect) and if the motion to reopen is accompanied by a suspension of deportation application to be filed with the Attorney General or by a copy of the self-petition that will be filed with the Immigration and Naturalization Service upon the granting of the motion to reopen.

(B) APPLICABILITY.—Subparagraph (A) shall apply to motions filed by aliens who—

(i) are, or were, in deportation proceedings under the Immigration and Nationality Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note)); and

(ii) have become eligible to apply for relief under clause (iii) or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act, clause (ii) or (iii) of section 204(a)(1)(B) of such Act, or section 244(a)(3) of such Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note)) as a result of the amendments made by—

(I) subtitle G of title IV of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 1953 et seq.); or

(II) section XX03 of this title.

(j) CANCELLATION OF REMOVAL; ADJUSTMENT OF STATUS.—(1)(A) Paragraph (1) of section 240A(d) of the Immigration and Nationality Act (8 U.S.C. 1229b(d)(1)) is amended to read as follows:

''(1) TERMINATION OF CONTINUOUS PERIOD.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for purposes of this section, any period of continuous residence or continuous physical presence in the United States shall be deemed to end when the alien is served a notice to appear under section 239(a) or when the alien has committed an offense referred to in section 212(a)(2) that renders the alien inadmissible to the United States under section 212(a)(2) or removable from the United States under section 237(a)(2) or 237(a)(4), whichever is earliest.

''(B) SPECIAL RULE FOR BATTERED SPOUSE OR CHILD.—For purposes of subsection (b)(2), the service of a notice to appear referred to in subparagraph (A) shall not be deemed to end any period of continuous physical presence in the United States.''.

(B) Section 240A(e)(3) of the Immigration and Nationality Act (8 U.S.C. 1229b(d)(1)) is amended by adding at the end the following new subsection:

''(C) Aliens in removal proceedings who applied for cancellation of removal under section 240A(b)(2).''.

(C) The amendments made by subparagraphs (A) and (B) shall take effect as if included in the enactment of section 304 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; 110 Stat. 587).

(2)(A) Section 309(c)(5)(C) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note) is amended—

(i) by amending the subparagraph heading to read as follows:

''(C) SPECIAL RULE FOR CERTAIN ALIENS GRANTED TEMPORARY PROTECTION FROM DEPORTATION AND FOR BATTERED SPOUSES AND CHILDREN.—''; and

(ii) in clause (i)—

(I) by striking ''or'' at the end of subclause (IV);

(II) by striking the period at the end of subclause (V) and inserting ''; or''; and

(III) by adding at the end the following:

''(VI) is an alien who was issued an order to show cause or was in deportation proceedings prior to April 1, 1997, and who applied for suspension of deportation under section 244(a)(3) of the Immigration and Nationality Act (as in effect before the date of the enactment of this Act).''.

(B) The amendments made by subparagraph (A) shall take effect as if included in the enactment of section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note).

(3) Section 240A(d)(2) of the Immigration and Nationality Act (8 U.S.C. 1229b(d)(2)) is amended to read as follows:

''(2) An alien shall be considered to have failed to maintain continuous physical presence in the United States under subsections (b)(1) and (b)(2) if the alien has departed from the United States for any period in excess of 90 days or for periods in the aggregate exceeding 180 days. In the case of an alien applying for cancellation of removal under subsection (b)(2), the Attorney General may waive the provisions of this subsection for humanitarian purposes, if the alien demonstrates a substantial connection between the absences and the battery or extreme cruelty forming the basis of the application for cancellation of removal.''.

(4) Section 244(a)(3) of the Immigration and Nationality Act (as in effect before the title III–A effective date of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; division C; 110 Stat. 3009–625)) is amended by adding at the end the following: ''The Attorney General may waive the physical presence requirement for humanitarian purposes if the alien demonstrates a substantial connection between the absences and the battery or extreme cruelty forming the basis of the application for suspension of deportation.''.

(k) EXCEPTION TO PUBLIC CHARGE GROUNDS OF INADMISSIBILITY.—Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended by adding at the end the following new subparagraph:

''(E) EXCEPTION.—Subparagraph (A) shall not apply to—

''(i) an alien who qualifies for status as a spouse or child of a United States citizen or lawful permanent resident pursuant to clause (iii) or (iv) of section 204(a)(1)(A) or clause (ii) or (iii) of section 204(a)(1)(B);

''(ii) an alien who qualifies for status as the spouse or child of a United States citizen or lawful permanent resident under section 204(a)(1)(A) (i) or (ii) or section 204(a)(1)(B)(i) and who has been battered or subjected to extreme cruelty; or

''(iii) derivatives and immediate relative children of aliens under clause (i) or (ii) of this subparagraph.''.

(*l*) GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN.—

(1) IN GENERAL.—Section 2001 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg) is amended—

(A) in subsection (a), by inserting '', the Immigration and Naturalization Service and the Executive Office of Immigration Review,'' after ''Indian tribal governments''; and

(B) in subsection (b)—

(i) in paragraph (1), by inserting '', immigration and asylum officers, immigration judges,'' after ''law enforcement officers'';

(ii) in paragraph (6), by striking ''and'' at the end;

(iii) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(8) training justice system personnel on the immigration provisions of the Violence Against Women Act of 1994 and the ramifications of those provisions for victims of domestic violence who appear in civil and criminal court proceedings and potential immigration consequences for the perpetrators of domestic violence.''.

(2) GRANTS TO ENCOURAGE ARREST POLICIES.—Section 2101(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh(c)) is amended—

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

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

(C) by adding at the end the following:

''(5) certify that their laws, policies, and practices do not discourage or prohibit prosecutors and law enforcement officers from granting access to information about the immigration status of a domestic violence perpetrator to the victim, the child, or their advocate''.

(3) EFFECT ON OTHER GOALS.—Section 287(g) of the Immigration and Nationality Act (8 U.S.C. 1357(g)) is amended by adding at the end the following:

''(11) Notwithstanding any other provision of this section, identifying and reporting the alien status of a crime victim or of a victim of a domestic violence crime shall not supersede the goal of obtaining the cooperation of the victim in the reporting and prosecution of such crime or the goal of protecting the victim of such crime with a protection order or other legal relief available to assist crime victims or domestic violence victims under Federal or State laws.''.

(m) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on—

(1) the number of and processing times of petitions under section 204(a)(1)(A) (iii) and (iv) and 204(a)(1)(B) (ii) and (iii) of the Immigration and Nationality Act at district offices of the Immigration and Naturalization Service and at the regional office of the Service in St. Albans, Vermont;

(2) the policy and procedures of the Immigration and Naturalization Service by which an alien who has been battered or subjected to extreme cruelty who is eligible for suspension of deportation or cancellation of removal under can place him or herself in deportation or removal proceedings so that he or she may apply for suspension of deportation or cancellation of removal, the number of requests filed at each district office under this policy and the number of these requests granted broken out by District; and

(3) the average length of time at each Immigration and Naturalization office between the date that an alien who has been subject to battering or extreme cruelty eligible for suspension of deportation or cancellation of removal requests to be placed in deportation or removal proceedings, and the date that immigrant appears before an immigration judge to file an application for suspension of deportation or cancellation of removal.

SEC. 209. OLDER WOMEN'S PROTECTION FROM VIOLENCE.

(a) VIOLENCE AGAINST WOMEN ACT OF 1994 AMENDMENTS.—The Violence Against Women Act of 1994 (108 Stat. 1902) is amended by adding at the end the following:

''Subtitle H—Elder Abuse, Neglect, and Exploitation, Including Domestic Violence and Sexual Assault Against Older Individuals

''SEC. 40801. DEFINITIONS.

''In this subtitle:

''(1) IN GENERAL.—The terms 'elder abuse, neglect, and exploitation', 'domestic violence', and 'older individual' have the meanings given the terms in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

''(2) SEXUAL ASSAULT.—The term 'sexual assault' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).

''SEC. 40802. LAW SCHOOL CLINICAL PROGRAMS ON ELDER ABUSE, NEGLECT, AND EXPLOITATION.

''The Attorney General shall make grants to law school clinical programs for the purposes of funding the inclusion of cases addressing issues of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''SEC. 40803. TRAINING PROGRAMS FOR LAW ENFORCEMENT OFFICERS.

''The Attorney General shall develop curricula and offer, or provide for the offering of, training programs to assist law enforcement officers and prosecutors in recognizing, addressing, investigating, and prosecuting instances of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''SEC. 40804. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.''.

(b) FAMILY VIOLENCE PREVENTION AND SERVICES ACT AMENDMENTS.—

(1) DEFINITIONS.—Section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408) is amended by adding at the end the following:

''(7) The term 'older individual' has the meaning given the term in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).''.

(2) DOMESTIC VIOLENCE SERVICES FOR OLDER INDIVIDUALS.—Section 311(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10410(a)) is amended—

(A) in paragraph (4), by striking ''and'' at the end;

(B) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(6) work with domestic violence programs to encourage the development of programs, including outreach, support groups, and counseling, targeted to older individuals.''.

(3) DEMONSTRATION GRANTS FOR COMMUNITY INITIATIVES.—Section 318(b)(2)(F) of the Family Violence Prevention and Services Act (42 U.S.C. 10418(b)(2)(F)) is amended by inserting ''and adult protective services entities'' before the semicolon.

(c) OLDER AMERICANS ACT OF 1965 AMENDMENTS.—

(1) DEFINITIONS.—Section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002) is amended by adding at the end the following:

''(45) The term 'domestic violence' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).

''(46) The term 'sexual assault' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) RESEARCH ABOUT THE SEXUAL ASSAULT OF WOMEN WHO ARE OLDER INDIVIDUALS.—Section 202(d)(3)(C) of the Older Americans Act of 1965 (42 U.S.C. 3012(d)(3)(C)) is amended—

(A) by striking ''and'' at the end of clause (i);

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

(C) by adding at the end the following:

''(iii) in establishing research priorities under clause (i), consider the importance of research about the sexual assault of women who are older individuals.''.

(3) STATE LONG-TERM CARE OMBUDSMAN PROGRAM.—Section 303(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3023(a)(1)) is amended by inserting before the period the following: '', except that for grants to carry out section 321(a)(10), there are authorized to be appropriated such sums as may be necessary without fiscal year limitation''.

(4) TRAINING FOR HEALTH PROFESSIONALS ON SCREENING FOR ELDER ABUSE, NEGLECT, AND

EXPLOITATION.—Section 411 of the Older Americans Act of 1965 (42 U.S.C. 3031) is amended by adding at the end the following:

''(f) TRAINING FOR HEALTH PROFESSIONALS ON SCREENING FOR ELDER ABUSE, NEGLECT, AND EXPLOITATION.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Assistant Secretary, develop curricula and implement continuing education training programs for protective service workers, health care providers, social workers, clergy, and other community-based social service providers in settings, including senior centers, adult day care settings, and senior housing, to improve the ability of the persons using the curriculum and training programs to recognize and address instances of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''(2) TRAINING AND CURRICULA.—In carrying out paragraph (1), the Secretary shall develop and implement separate curricula and training programs for adult protective services workers, medical students, physicians, physician assistants, nurse practitioners, nurses, and clergy.''.

(5) DOMESTIC VIOLENCE SHELTERS AND PROGRAMS FOR OLDER INDIVIDUALS.—Section 422(b) of the Older Americans Act of 1965 (42 U.S.C. 3035a(b)) is amended—

(A) by striking ''and'' at the end of paragraph (11);

(B) by striking the period at the end of paragraph (12) and inserting a semicolon; and

(C) by adding at the end the following:

''(13) expand access to domestic violence shelters and programs for older individuals and encourage the use of senior housing, nursing homes, or other suitable facilities or services when appropriate as emergency short-term shelters or measures for older individuals who are the victims of elder abuse, including domestic violence, and sexual assault, against older individuals; and

''(14) promote research on legal, organizational, or training impediments to providing services to older individuals through shelters, such as impediments to provision of the services in coordination with delivery of health care or senior services.''.

(6) AUTHORIZATION OF APPROPRIATIONS.—

(A) OMBUDSMAN PROGRAM.—Section 702(a) of the Older Americans Act of 1965 (42 U.S.C. 3058a(a)) is amended to read as follows:

''(a) OMBUDSMAN PROGRAM.—There are authorized to be appropriated to carry out chapter 2 such sums as may be necessary without fiscal year limitation.''.

(B) ELDER ABUSE PREVENTION PROGRAM.—Section 702(b) of the Older Americans Act of 1965 (42 U.S.C. 3058a(b)) is amended to read as follows:

''(b) PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION.—There are authorized to be appropriated to carry out chapter 3 such sums as may be necessary without fiscal year limitation.''.

(7) COMMUNITY INITIATIVES AND OUTREACH.—Title VII of the Older Americans Act of 1965 (42 U.S.C. 3058 et seq.) is amended—

(A) by redesignating subtitle C as subtitle D;

(B) by redesignating sections 761 through 764 as sections 771 through 774, respectively; and

(C) by inserting after subtitle B the following:

''Subtitle C—Community Initiatives and Outreach

''SEC. 761. COMMUNITY INITIATIVES TO COMBAT ELDER ABUSE, NEGLECT, AND EXPLOITATION.

''The Secretary shall make grants to nonprofit private organizations to support projects in local communities, involving diverse sectors of each community, to coordinate activities concerning intervention in and prevention of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''SEC. 762. OUTREACH TO OLDER INDIVIDUALS.

''The Secretary shall make grants to develop and implement outreach programs directed toward assisting older individuals who are victims of elder abuse, neglect, and exploitation (including domestic violence, and sexual assault, against older individuals), including programs directed toward assisting the individuals in senior housing complexes and senior centers.

''SEC. 763. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subtitle such sums as may be necessary without fiscal year limitation.''.

(d) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(1) TITLE VII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 791 of the Public Health Service Act (42 U.S.C. 295j), as amended by section 107(a) of the Health Professions Education Partnerships Act of 1998 (Public Law 105–392; 112 Stat. 3560) is amended by adding at the end the following:

''(d) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF ELDER ABUSE AND NEGLECT.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training (such as training conducted in accordance with curricula or programs authorized under section 411(f) of the Older Americans Act of 1965 (42 U.S.C. 3031(f))), in carrying out the following functions as a provider of health care:

''(A) Identifying victims of elder abuse and neglect, including domestic violence, and sexual assault, against older individuals, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of elder abuse and neglect.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of medicine, a school of osteopathic medicine, a graduate program in mental health practice, a school of nursing (as defined in section 801), a program for the training of physician assistants, or a program for the training of allied health professionals.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Violence Against Women Act II, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITIONS.—In this subsection:

''(A) IN GENERAL.—The terms 'abuse', 'neglect', 'domestic violence', and 'older individual' have the meanings given the terms in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

''(B) ELDER ABUSE AND NEGLECT.—The term 'elder abuse and neglect' means abuse and neglect of an older individual.

''(C) SEXUAL ASSAULT.—The term 'sexual assault' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) TITLE VIII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 806 of the Public Health Service Act (as added by section 123 of the Health Professions Education Partnerships Act of 1998 (Public Law 105–392)) is amended by adding at the end the following:

''(i) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF ELDER ABUSE AND NEGLECT.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training (such as training conducted in accordance with curricula or programs authorized under section 411(f) of the Older Americans Act of 1965 (42 U.S.C. 3031(f))), in carrying out the following functions as a provider of health care:

''(A) Identifying victims of elder abuse and neglect, including domestic violence, and sexual assault, against older individuals, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of elder abuse and neglect.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of nursing or other public or nonprofit private entity that is eligible to receive an award described in such paragraph.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Violence Against Women Act II, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITIONS.—In this subsection:

''(A) IN GENERAL.—The terms 'abuse', 'neglect', 'domestic violence', and 'older individual' have the meanings given the terms in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

''(B) ELDER ABUSE AND NEGLECT.—The term 'elder abuse and neglect' means abuse and neglect of an older individual.

''(C) SEXUAL ASSAULT.—The term 'sexual assault' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(3) CONFORMING AMENDMENT.—Section 411(f) of the Older Americans Act of 1965 (as added by subsection (c)(4)) is amended by adding at the end the following:

''(3) In carrying out paragraph (1), the Secretary shall provide information about the curricula and training programs to entities described in section 791(d)(2) of the Public Health Service Act (42 U.S.C. 295j(d)(2)) and section 806(i)(2) of the Public Health Service Act (as added by section 123 of the Health Professions Education Partnerships Act of 1998 and amended by section 209(d)(2) of the Violence Against Women Act II) that seek grants or contracts under title VII or VIII of such Act.''.

TITLE III—LIMITING THE EFFECTS OF VIOLENCE ON CHILDREN

SEC. 301. SAFE HAVENS FOR CHILDREN.

(a) IN GENERAL.—The Attorney General may make grants to States and Indian tribal governments to enable States and Indian tribal governments to enter into contracts and cooperative agreements with public or private nonprofit entities to assist those entities in establishing and operating supervised visitation centers for purposes of facilitating supervised visitation and visitation exchange of children by and between parents.

(b) CONSIDERATIONS.—In awarding grants under subsection (a), the Attorney General shall take into account—

(1) the number of families to be served by the proposed visitation center;

(2) the extent to which the proposed supervised visitation center serves underserved populations (as defined in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2));

(3) with respect to an applicant for a contract or cooperative agreement, the extent to which the applicant demonstrates cooperation and collaboration with nonprofit, nongovernmental entities in the local community served, including the State domestic violence coalition, State sexual assault coalition, local shelters, and programs for domestic violence and sexual assault victims;

(4) the extent to which the applicant demonstrates coordination and collaboration with State and local court systems, including mechanisms for communication and referral; and

(5) the extent to which the applicant demonstrates implementation of domestic violence and sexual assault training for all employees.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Amounts provided under a grant, contract, or cooperative agreement awarded under this section shall be used to establish and operate supervised visitation centers.

(2) APPLICANT REQUIREMENTS.—The Attorney General shall award grants for contracts and cooperative agreements under this section in accordance with such regulations as the Attorney General may promulgate. The regulations shall establish a multi-year grant process. The Attorney General shall give priority in awarding grants for contracts and cooperative agreements under this section to States that consider domestic violence in making a custody decision and require findings on the record. An applicant awarded a contract or cooperative agreement by a State that receives a grant under this section shall—

(A) demonstrate recognized expertise in the area of family violence and a record of high quality service to victims of domestic violence and/or sexual assault;

(B) demonstrate collaboration with and support of the State domestic violence coalition, sexual assault coalition or local domestic violence and sexual assault shelter or program in the locality in which the supervised visitation center will be operated;

(C) provide supervised visitation and visitation exchange services over the duration of a court order to promote continuity and stability;

(D) ensure that any fees charged to individuals for use of services are based on an individual's income;

(E) demonstrate that adequate security measures, including adequate facilities, procedures, and personnel capable of preventing violence, are in place for the operation of supervised visitation; and

(F) described standards by which the supervised visitation center will operate.

(d) REPORTING.—Not later than 120 days after the end of each fiscal year, the Attorney General shall submit to Congress a report that includes information concerning—

(1) the number of individuals served and the number of individuals turned away from services (categorized by State), the number of individuals from underserved populations served and turned away from services, and the type of problems that underlie the need for supervised visitation or visitation exchange, such as domestic violence, child abuse, sexual assault, emotional or other physical abuse, or a combination of such factors;

(2) the numbers of supervised visitations or visitation exchanges ordered during custody determinations under a separation or divorce decree or protection order, through child protection services or other social services agencies, or by any other order of a civil, criminal, juvenile, or family court;

(3) the process by which children or abused partners are protected during visitations, temporary custody transfers, and other activities for which the supervised visitation centers are established under this section;

(4) safety and security problems occurring during the reporting period during supervised visitations or at visitation centers including the number of parental abduction cases;

(5) the number of parental abduction cases in a judicial district using supervised visitation services, both as identified in criminal prosecution and custody violations; and

(6) program standards across the country that are in place for operating a supervised visitation center.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

(A) $20,000,000 for fiscal year 2000;

(B) $30,000,000 for fiscal year 2001; and

(C) $30,000,000 for fiscal year 2002.

(2) DISTRIBUTION.—Of amounts made available to carry out this section for each fiscal year, not less than 95 percent shall be used to award grants, contracts, or cooperative agreements.

(3) ALLOTMENT FOR INDIAN TRIBES.—

(A) IN GENERAL.—Not less than 5 percent of the total amount made available to carry out this section for each fiscal year shall be available for grants to Indian tribal governments.

(B) REALLOTMENT OF FUNDS.—If, beginning 9 months after the first day of any fiscal year for which amounts are made available under this paragraph, any amount made available under this paragraph remains unobligated, the unobligated amount may be allocated without regard to subparagraph (A).

SEC. 302. STUDY OF CHILD CUSTODY LAWS IN DOMESTIC VIOLENCE CASES.

(a) IN GENERAL.—The Attorney General shall—

(1) conduct a study of Federal and State laws relating to child custody, including the Parental Kidnaping Prevention Act of 1980, and the amendments made by that Act, and the effect of those laws on child custody cases in which domestic violence is a factor; and

(2) submit to Congress a report describing the results of that study, including the effects of implementing or applying new model State laws, and the recommendations of the Attorney General regarding legislative changes to reduce the incidence or pattern of violence against women or of sexual assault of the child.

(b) SUFFICIENCY OF DEFENSES.—In carrying out subsection (a) with respect to the Parental Kidnaping Prevention Act of 1980, and the amendments made by that Act, the Attorney General shall examine the sufficiency of defenses to parental abduction charges available in cases involving domestic violence, and the burdens and risks encountered by victims of domestic violence arising from compliance with the full faith and credit (and judicial jurisdiction) requirements of that Act and the amendments made by that Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriate to carry out this section $200,000 for each of fiscal years 2000 and 2001.

(d) CONDITION FOR CUSTODY DETERMINATION.—Section 1738A(c)(2)(C)(ii) of title 28, United States Code, is amended—

(1) by striking ''he'' and inserting ''the child, or a sibling or parent of the child,''; and

(2) by inserting '', including any act of domestic violence by the other parent'' before the semicolon.

SEC. 303. REAUTHORIZATION OF RUNAWAY AND HOMELESS YOUTH GRANTS.

(a) IN GENERAL.—Section 316(c) of the Runaway and Homeless Youth Act (42 U.S.C. 5712d(c)) is amended to read as follows:

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(1) $21,000,000 for fiscal year 2000;

''(2) $22,000,000 for fiscal year 2001; and

''(3) $23,000,000 for fiscal year 2002.''.

(b) DISSEMINATION OF INFORMATION.—Section 316 of part A of the Runaway and Homeless Youth Act (42 U.S.C. 5712d) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) DISSEMINATION OF INFORMATION.—The Secretary shall annually compile and broadly disseminate (including through electronic

publication) information about the use of amounts expended and the projects funded under this subtitle, including any evaluations of the projects and information to enable replication and adoption of the strategies identified in the projects. Such dissemination shall target community-based programs, including domestic violence and sexual assault programs.''.

SEC. 304. REAUTHORIZATION OF VICTIMS OF CHILD ABUSE PROGRAMS.

(a) COURT-APPOINTED SPECIAL ADVOCATE PROGRAM.—Section 218(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13014(a)) is amended to read as follows:

''(a) AUTHORIZATION.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this subtitle—

''(1) $10,000,000 for fiscal year 2000; and

''(2) $12,000,000 for each of fiscal years 2001 and 2002.''.

(b) CHILD ABUSE TRAINING PROGRAMS FOR JUDICIAL PERSONNEL AND PRACTITIONERS.—Section 224(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13024(a) is amended to read as follows:

''(a) AUTHORIZATION.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this subtitle $2,300,000 for each of fiscal years 2000 through 2002.''.

(c) GRANTS FOR TELEVISED TESTIMONY.—Section 1001(a)(7) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(7)) is amended to read as follows:

''(7) There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out part N $1,000,000 for each of fiscal years 2000 through 2002.''.

(d) DISSEMINATION OF INFORMATION.—The Attorney General shall annually compile and broadly disseminate (including through electronic publication) information about the use of amounts expended and the projects funded under section 218(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13014(a)), section 224(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13024(a)), and section 1007(a)(7) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(7)), including any evaluations of the projects and information to enable replication and adoption of the strategies identified in the projects. Such dissemination shall target community-based programs, including domestic violence and sexual assault programs.

TITLE IV—STRENGTHENING EDUCATION AND TRAINING TO COMBAT VIOLENCE AGAINST WOMEN

SEC. 401. EDUCATION AND TRAINING OF HEALTH PROFESSIONALS.

(a) TITLE VII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 791 of the Public Health Service Act (42 U.S.C. 295j), as amended by section 209 of this Act, is amended by adding at the end the following:

''(d) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF DOMESTIC VIOLENCE.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training in carrying out the following functions as a provider of health care:

''(A) Identifying victims of domestic violence, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of domestic violence.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of medicine, a school of osteopathic medicine, a graduate program in mental health practice, a school of nursing (as defined in section 853), a program for the training of physician assistants, or a program for the training of allied health professionals.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this subsection, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITION OF DOMESTIC VIOLENCE.—In this subsection, the term 'domestic violence' includes behavior commonly referred to as domestic violence, sexual assault, spousal abuse, woman battering, partner abuse, child abuse, elder abuse, and acquaintance rape.''.

(b) TITLE VIII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 860 of the Public Health Service Act (42 U.S.C. 298b–7), as amended by section 209 of this Act, is amended by adding at the end the following:

''(g) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF DOMESTIC VIOLENCE.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training in carrying out the following functions as a provider of health care:

''(A) Identifying victims of domestic violence, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of domestic violence.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of nursing or other public or nonprofit private entity that is eligible to receive an award described in such paragraph.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Domestic Violence Identification and Referral Act of 1997, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITION OF DOMESTIC VIOLENCE.—In this subsection, the term 'domestic violence' includes behavior commonly referred to as domestic violence, sexual assault, spousal abuse, woman battering, partner abuse, child abuse, elder abuse, and acquaintance rape.''.

SEC. 402. EDUCATION AND TRAINING IN APPROPRIATE RESPONSES TO VIOLENCE AGAINST WOMEN.

(a) AUTHORITY.—The Attorney General may make grants in accordance with this section to public and private nonprofit entities that, in the determination of the Attorney General, have—

(1) nationally recognized expertise in the areas of domestic violence and sexual assault; and

(2) a record of commitment and quality responses to reduce domestic violence and sexual assault.

(b) PURPOSE.—Grants under this section may be used for the purposes of developing, testing, presenting, and disseminating model programs to provide education and training in appropriate and effective responses to victims of domestic violence and victims of sexual assault (including, as appropriate, the effects of domestic violence on children) to individuals (other than law enforcement officers and prosecutors) who are likely to come into contact with such victims during the course of their employment, including—

(1) campus personnel, such as administrators, housing officers, resident advisers, counselors, and others;

(2) caseworkers, supervisors, administrators, administrative law judges, and other individuals administering Federal and State benefits programs, such as child welfare and child protective services, Temporary Assistance to Needy Families, social security disability, child support, medicaid, unemployment, workers' compensation, and similar programs;

(3) justice system professionals, such as court personnel, guardians ad litem and other individuals appointed to represent or evaluate children, probation and parole officers, bail commissioners, judges, and attorneys;

(4) medical and health care professionals, including mental and behavioral health professionals such as psychologists, psychiatrists, social workers, therapists, counselors, and others; and

(5) religious professionals, such as clergy persons and lay employees.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section $5,000,000 for each of fiscal years 2000 through 2002.

SEC. 403. RAPE PREVENTION AND EDUCATION.

(a) IN GENERAL.—Part J of title III of the Public Health Service Act (42 U.S.C. 280b et seq.) is amended by inserting after section 393A the following:

"SEC. 393B. USE OF ALLOTMENTS FOR RAPE PREVENTION EDUCATION.

''(a) PERMITTED USE.—Notwithstanding section 1904(a)(1), amounts transferred by the State for use under this part shall be used for rape prevention and education programs conducted by rape crisis centers, State sexual assault coalitions, and other public and private nonprofit entities for—

''(1) educational seminars;

''(2) the operation of hotlines;

''(3) training programs for professionals;

''(4) the preparation of informational material;

''(5) education and training programs for students and campus personnel designed to reduce the incidence of sexual assault at colleges and universities; and

''(6) other efforts to increase awareness of the facts about, or to help prevent, sexual assault, including efforts to increase awareness in underserved communities and awareness among individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

''(b) NATIONAL RESOURCE CENTER.—The Secretary of Health and Human Services shall, through the National Center for Injury Prevention and Control at the Centers for Disease Control and Prevention, establish a National Resource Center on Sexual Assault to provide resource information, policy, training, and technical assistance to Federal, State, and Indian tribal agencies, as well as to State sexual assault coalitions and local sexual assault programs and to other professionals and interested parties on issues relating to sexual assault. The Resource Center shall maintain a central resource library in order to collect, prepare, analyze, and disseminate information and statistics and analyses thereof relating to the incidence and prevention of sexual assault.

''(c) TARGETING OF EDUCATION PROGRAMS.—States providing grant moneys must ensure that not less than 25 percent of the funds are used for educational programs targeted for middle school, junior high, and high school students. The programs targeted under this subsection shall be provided by or in consultation with rape crisis centers, State sexual assault coalitions, or other entities recognized for their expertise in preventing sexual assault or in providing services to victims of sexual assault.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(A) $55,000,000 for fiscal year 2000;

''(B) $60,000,000 for fiscal year 2001; and

''(C) $60,000,000 for fiscal year 2002.

''(2) SEXUAL ASSAULT COALITIONS.—Not less than 10 percent of the total amount made available under this subsection in each fiscal year shall be used to make grants to State sexual assault coalitions to address public health issues associated with sexual assault through training, resource development, or similar research.

''(3) NATIONAL RESOURCE CENTER ALLOTMENT.—Not less than 1 percent of the total amount made available under this subsection in each fiscal year shall be available for allotment under subsection (b).

''(e) LIMITATIONS.—

''(1) SUPPLEMENT NOT SUPPLANT.—Amounts transferred by States for use under this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services of the type described in subsection (a).

''(2) STUDIES.—A State may not use more than 2 percent of the amount received by the State under this section for each fiscal year for surveillance studies or prevalence studies.

''(3) ADMINISTRATION.—A State may not use more than 5 percent of the amount received by the State under this section for each fiscal year for administrative expenses.

''(f) ELIGIBLE ORGANIZATIONS.—The Secretary shall award a grant under subsection (b) of this section to a private nonprofit entity which can—

''(1) demonstrate that it has recognized expertise in the area of sexual assault, a record of high-quality services to victims of sexual assault, including a demonstration of support from advocacy groups, such as State sexual assault coalitions or recognized national sexual assault groups; and

''(2) demonstrate a commitment to the provision of services to underserved populations.

''(g) DEFINITIONS.—In this section—

''(1) the term 'rape prevention and education' includes education and prevention efforts directed at sexual offenses committed by offenders who are not known to the victim as well as offenders who are known to the victim;

''(2) the term 'rape crisis center' means a private nonprofit organization that is organized, or has as one of its primary purposes, to provide services for victims of sexual assault and has a record of commitment and demonstrated experience in providing services to victims of sexual assault;

''(3) the term 'sexual assault' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2); and

''(4) the term 'State sexual assault coalition' means a statewide nonprofit, non-governmental membership organization administering a majority of sexual assault programs within the State that, among other activities, provides training and technical assistance to sexual assault programs within the State.

''(h) TERMS.—

''(1) BASIS OF ALLOTMENTS.—The Secretary shall make allotments to each State on the basis of the population of the State.

''(2) LIMITATION.—No State may use amounts made available by reason of subsection (a) in any fiscal year for administration of any prevention program other than the rape prevention and education program for which allotments are made under this section.

''(3) AVAILABILITY OF FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.''.

(b) TECHNICAL AMENDMENTS.—

(1) PUBLIC HEALTH SERVICE.—Section 1910A of the Public Health Service Act (42 U.S.C. 300w–10) is repealed.

(2) VIOLENCE AGAINST WOMEN ACT OF 1994.—Section 40151 of the Violence Against Women Act of 1994 (108 Stat. 1920) is repealed.

SEC. 404. VIOLENCE AGAINST WOMEN PREVENTION EDUCATION AMONG YOUTH.

(a) GRANTS AUTHORIZED.—The Secretary of Health and Human Services, in consultation with the Secretary of Education, shall provide grants to individuals or organizations to carry out educational programs for elementary schools, middle schools, secondary schools, or institutions of higher education with respect to information regarding, and prevention of, domestic violence and violence among intimate partners.

(b) ELIGIBILITY.—To be eligible for a grant under this section, an individual or organization shall work in domestic violence prevention, health or social work, law or law enforcement, schools, or institutions of higher education.

(c) APPLICATIONS.—An individual or organization that desires to receive a grant under this section shall submit to the Secretary of Health and Human Services an application, in such form and manner as the Secretary of Health and Human Services shall prescribe, that—

(1) demonstrates that the educational program is comprehensive, engaging, and appropriate to the target ages, addresses cultural diversity, has the potential to change attitudes and behaviors, is developed based on research and experience in the areas of youth education and domestic violence, collects some form of data on changes in participants' attitudes or behavior, and includes an evaluation component;

(2) in the case of a program for a collegiate audience, demonstrates input from members of the campus community, campus or local law enforcement, education professionals, legal and psychological experts on battering, and victim advocate organizations; and

(3) contains such other information, agreements, and assurances as the Secretary of Health and Human Services may require.

(d) USES OF FUNDS.—

(1) IN GENERAL.—An individual or organization that receives a grant under this section may use the grant funds—

(A) to carry out educational programs for elementary schools, middle schools, secondary schools, or institutions of higher education with respect to information regarding, and prevention of, domestic violence and violence among intimate partners;

(B) to modify the program materials of the model programs implemented under section 317 of the Family Violence Prevention and Services Act (42 U.S.C. 10417), if appropriate, in order to make the materials applicable to a particular age group;

(C) to purchase the materials described in subparagraph (B); or

(D) to establish pilot educational programs described in paragraph (1) for institutions of higher education for the purpose of identifying model programs for such institutions.

(2) LIMITATION.—An individual or organization that receives a grant under this section for a fiscal year shall use not more than 7 percent of the grant funds for administrative expenses.

(e) PUBLICATION.—The Secretary of Health and Human Services shall publish the availability of grants under this section through announcements in professional publications for the individuals or organizations described in subsection (d)(2), and through notice in the Federal Register.

(f) TERM.—A grant under this section may be awarded for a period of not more than 3 fiscal years.

(g) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary of Health and Human Services shall ensure an equitable geographic distribution to individuals and organizations throughout the United States.

(h) REQUIREMENTS.—In carrying out an educational program under this section, an individual or organization shall—

(1) develop the program, or acquire model program materials if available;

(2) carry out the program with a school's or institution of higher education's involvement; and

(3) report the results of the program to the Secretary of Health and Human Services in a format provided by the Secretary.

(i) EVALUATION AND REPORT.—

(1) COLLEGE LEVEL PROGRAMS.—Not later than December 31, 2000, the Secretary shall evaluate the pilot educational programs for college audiences assisted under subsection (e)(1)(D) with the goal of identifying and describing model programs.

(2) EVALUATION AND REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of Health and Human Services shall—

(A) transmit to Congress the design and an evaluation of the model collegiate programs;

(B) report to Congress regarding results of the elementary school, middle school, secondary school, and institution of higher education programs funded under this section; and

(C) suggest changes or improvements to be made in the programs.

(j) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Health and Human Services shall publish in the Federal Register proposed regulations implementing this section. Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall publish in the Federal Register final regulations implementing this section.

(k) DEFINITIONS.—

(1) ELEMENTARY SCHOOL; SECONDARY SCHOOL.—The terms ''elementary school'' and ''secondary school'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section (other than subsection (d)(1)(D) and subparagraphs (A) and (B) of subsection (i)(2))—

(A) $2,700,000 for fiscal year 2000; and

(B) $2,700,000 for fiscal year 2001.

(2) COLLEGIATE PROGRAMS; REPORT.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out subsection (d)(1)(D) and subparagraphs (A) and (B) of subsection (i)(2) $400,000 for fiscal year 2001.

(3) AVAILABILITY.—Amounts appropriated under this subsection shall remain available until the earlier of—

(A) the date on which those amounts are expended; or

(B) December 31, 2001.

SEC. 405. EDUCATION AND TRAINING TO END VIOLENCE AGAINST AND ABUSE OF WOMEN WITH DISABILITIES.

(a) IN GENERAL.—The Attorney General shall make grants to States and nongovernmental private entities to provide education and technical assistance for the purpose of providing training, consultation, and information on violence, abuse, and sexual assault against women who are individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(b) PRIORITIES.—In making grants under this section, the Attorney General shall give priority to applications designed to provide education and technical assistance on—

(1) the nature, definition, and characteristics of violence, abuse, and sexual assault experienced by women who are individuals with disabilities;

(2) outreach activities to ensure that women who are individuals with disabilities who are victims of violence, abuse, and sexual assault receive appropriate assistance;

(3) the requirements of shelters and victim services organizations under Federal antidiscrimination laws, including the Americans with Disabilities Act of 1990 and section 504 of the Rehabilitation Act of 1973; and

(4) cost-effective ways that shelters and victim services may accommodate the needs of individuals with disabilities in accordance with the Americans with Disabilities Act of 1990.

(c) USES OF GRANTS.—Each recipient of a grant under this section shall provide information and training to organizations and programs that provide services to individuals with disabilities, including independent living centers, disability-related service organizations, and domestic violence programs providing shelter or related assistance.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

(1) $4,000,000 for fiscal year 2000;

(2) $5,000,000 for fiscal year 2001; and

(3) $6,000,000 for fiscal year 2002.

SEC. 406. COMMUNITY INITIATIVES.

Section 318 of the Family Violence Prevention and Services Act (42 U.S.C. 10418) is amended—

(1) in subsection (b)(2)—

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

(B) by redesignating subparagraph (H) as subparagraph (I); and

(C) by inserting after subparagraph (G) the following:

''(H) groups that provide services to or advocacy on behalf of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)); and''; and

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

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(1) $5,000,000 for fiscal year 2000;

''(2) $6,000,000 for fiscal year 2001; and

''(3) $7,000,000 for fiscal year 2002.''.

SEC. 407. NATIONAL COMMISSION ON STANDARDS OF PRACTICE AND TRAINING FOR SEXUAL ASSAULT EXAMINATIONS.

(a) IN GENERAL.—The Attorney General shall establish a multidisciplinary, multiagency national commission, which shall—

(1) evaluate standards of training and practice for licensed health care professionals performing sexual assault forensic examinations and develop a national recommended standard for training;

(2) recommend minimum sexual assault forensic examination training for all health care students to improve the recognition of injuries suggestive of rape and sexual assault and baseline knowledge of appropriate referrals in victim treatment and evidence collection;

(3) review national, State, and local protocols on sexual assault for forensic examinations, and based on the review, develop a recommended national protocol, and establish a mechanism for nationwide dissemination; and

(4) study and evaluate State procedures for payment of forensic examinations for victims of sexual assault and establish a recommended Federal protocol for the payment of forensic examinations.

(b) MEMBERSHIP.—The members of the national commission established under this section shall be appointed by the Attorney General from among individuals who are experts in the prevention and treatment of rape and sexual assault, including—

(1) individuals employed in the fields of victim services, criminal justice, forensic nursing, forensic science, emergency room medicine, law, and social services; and

(2) individuals who are experts in the prevention and treatment of sex crimes in ethnic, social, and language minority communities, as well as rural, disabled, and other underserved communities.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Attorney General shall submit a report to Congress on the findings of the commission established under subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section $200,000 for fiscal year 2000.

SEC. 408. NATIONAL WORKPLACE CLEARINGHOUSE ON VIOLENCE AGAINST WOMEN.

(a) AUTHORITY.—The Attorney General may make a grant in accordance with this section to a private, nonprofit entity that meets the requirements of subsection (b) to establish and operate a national clearinghouse and resource center to provide information and assistance to employers and labor organizations on appropriate workplace responses to domestic violence and sexual assault.

(b) GRANTEES.—Each applicant for a grant under this section shall submit to the Attorney General an application, which shall—

(1) demonstrate that the applicant—

(A) has a nationally recognized expertise in the area of domestic violence and sexual assault and a record of commitment and quality responses to reduce domestic violence and sexual assault; and

(B) will provide matching funds from non-Federal sources in an amount equal to not less than 10 percent of the total amount of the grant under this section; and

(2) include a plan to conduct outreach to encourage employers (including small and

large businesses, as well as public entities such as universities, and State and local governments) to develop and implement appropriate responses to assist employees who are victims of domestic violence or sexual assault.

(c) USE OF GRANT AMOUNT.—A grant under this section may be used for salaries, travel expenses, equipment, printing, and other reasonable expenses necessary to assemble, maintain, and disseminate to employers and labor organizations information on appropriate responses to domestic violence and sexual assault, including costs associated with such activities as—

(1) developing and disseminating model protocols and workplace policies;

(2) developing and disseminating models for employer and union sponsored victims' services;

(3) developing and disseminating training videos and model curricula to promote better understandings of workplace issues surrounding domestic violence; and

(4) planning and conducting conferences and other educational opportunities.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section $1,000,000 for each of fiscal years 2000 through 2002.

SEC. 409. STRENGTHENING RESEARCH TO COMBAT VIOLENCE AGAINST WOMEN.

Chapter 9 of subtitle B of the Violence Against Women Act of 1994 (42 U.S.C. 13961 et seq.) is amended by adding at the end the following:

"SEC. 40294. RESEARCH TO COMBAT VIOLENCE AGAINST WOMEN.

''(a) EDUCATION, PREVENTION, AND INTERVENTION RESEARCH GRANTS.—

''(1) PURPOSES.—The Secretary of Health and Human Services and the Attorney General shall make grants to entities, including domestic violence and sexual assault organizations, research organizations, and academic institutions, to support research and evaluation of education, prevention, and intervention programs on violent behavior against women.

''(2) USE OF FUNDS.—The research conducted under this section shall include—

''(A) longitudinal research to study the developmental trajectory of violent behavior against women and the manner in which that violence differs from other violent behaviors;

''(B) the examination of risk factors for sexual and intimate partner violence for victims and perpetrators, such as poverty, childhood victimization and other traumas;

''(C) the examination of short- and long-term efforts of programs designed to prevent sexual and intimate partner violence;

''(D) outcome evaluations of interventions and school curriculum targeted at children and teenagers;

''(E) the examination and documentation of the processes and informal strategies women experience in attempting to manage and stop the violence in their lives; and

''(F) the development, testing, and evaluation of the economic and health benefits of effective methods of domestic violence screening and prevention programs at all points of entry into the health care system, including mental health, emergency medicine, obstetrics, gynecology, and primary care, and an assessment of the costs of domestic violence to the health care system.

''(b) ADDRESSING GAPS IN RESEARCH.—

''(1) PURPOSES.—The Secretary of Health and Human Services and the Attorney General shall make grants to domestic violence and sexual assault organizations, research organizations, and academic institutions in order to address gaps in research and knowledge about violence against women, including violence against women in underserved communities.

''(2) USES OF FUNDS.—The research conducted with grants made under this subsection shall include—

''(A) the development of national- and community-level survey studies to measure the incidence and prevalence of violence against women in underserved populations and the terms women use to describe their experiences of violence;

''(B) qualitative and quantitative research to understand the manner in which factors that shape the context and experience of violence in women's lives, as well as the education, prevention, and intervention strategies available to women (including minors);

''(C) a study of violence against women as a risk factor for diseases from a multivariate perspective;

''(D) an examination of the prevalence and dynamics of emotional and psychological abuse, the effects on women of such abuse, and the education, prevention, and intervention strategies that are available to address this type of abuse;

''(E) an examination of the need for and availability of legal assistance and services for victims of sexual assault; and

''(F) the use of nonjudicial alternative dispute resolution (such as mediation, negotiation, conciliation, and restorative justice models) in cases in which domestic violence is a factor, comparing nonjudicial alternative dispute resolution and traditional judicial methods based upon the quality of representation of the victim, the training of mediators or other facilitators, the satisfaction of the parties, the outcome of the proceedings, and such other factors as may be identified; and

''(G) an examination of effective models to address domestic violence in child protective services and child welfare agencies, including—

''(i) documenting the scope of the problem;

''(ii) identifying the risk of harm perpetrators of domestic violence pose to children and to parents who are victims of domestic violence; and

''(iii) examining effective models to address domestic violence in the context of child welfare and child protection that protect children while protecting parents who are victims of domestic violence.

''(c) SENTENCING COMMISSION STUDY.—Not later than 1 year after the date of enactment of this section, the United States Sentencing Commission shall submit to Congress a report on—

''(1) sentences given to offenders incarcerated in Federal and State prisons for homicides or assaults in which the victim was a spouse, former spouse, or intimate partner of the offender;

''(2) the effect of illicit drugs and alcohol on domestic violence and the sentences imposed for offenses involving illicit drugs and alcohol in which domestic violence occurred;

''(3) the extent to which acts of domestic violence committed against the offender, including coercion, may have contributed to the commission of an offense;

''(4) an analysis delineated by race, gender, type of offense, and any other categories that would be useful for understanding the problem of domestic violence; and

''(5) recommendations with respect to the offenses described in this subsection, including any basis for a downward adjustment in any applicable Federal sentencing guidelines determination.

''(d) RESEARCH ON PREGNANCY AND SEXUAL ASSAULT.—

''(1) PURPOSES.—The Secretary of Health and Human Services and the Attorney General shall make grants to nonprofit entities, including sexual assault organizations, research organizations, and academic institutions, in order to gather qualitative and quantitative data on the experiences of minors and adults who become pregnant as a result of sexual assault within State health care, judicial, and social services systems.

''(2) USE OF AMOUNTS.—The research conducted with grants made under this subsection shall include—

''(A) the incidence and prevalence of pregnancy resulting from sexual assault, including the ages of the victim and perpetrator, and any relationship between the perpetrator and the victim (such as family, acquaintance, intimate partner, spouse, household member, etc.);

''(B) the degree to which State adoption, child custody, visitation, child support, parental termination, and child welfare criminal justice laws and policies serve the needs of women (including minors) who become pregnant as a result of sexual assault;

''(C) the impact of State social services rules, policies, and procedures on women (including minors) who become pregnant as a result of sexual assault and on those children born as a result of the sexual assault;

''(D) the availability of public and private legal, medical, and mental health counseling, financial, and other forms of assistance to women (including minors) who become pregnant as a result of sexual assault, and to the children born as a result of the sexual assault, including the extent to which barriers exist in accessing that assistance; and

''(E) recommendations for improvements in State health care, judicial, and social services systems to address the needs of women (including minors) who become pregnant as a result of sexual assault and of the children born as a result of the sexual assault.

''(e) STATUS REPORT ON LAWS REGARDING RAPE AND SEXUAL ASSAULT OFFENSES.—

''(1) STUDY.—The Attorney General, in consultation with national, State, and local domestic violence and sexual assault coalitions and programs, including, nationally recognized experts on sexual assault, such as from the judiciary, the legal profession, psychological associations, and sex offender treatment providers, shall conduct a national study to examine the status of the law with respect to rape and sexual assault offenses and the effectiveness of the implementation of laws in addressing such crimes and protecting their victims. In carrying out this subsection, the Attorney General may utilize the Bureau of Justice Statistics, the National Institute of Justice, and the Office for Victims of Crime, or any other appropriate component of the Department of Justice.

''(2) REPORT.—Not later than 1 year after the date of enactment of this section, the Attorney General shall submit to Congress a report on the findings of the study under paragraph (1), which shall include—

''(A) an analysis of the degree of uniformity among the States with respect to rape and sexual assault laws (including sex offenses committed against children), including the degree of uniformity among States with respect to—

''(i) definitions of rape and sexual assault, including any marital rape exception and any other exception or downgrading of offense;

''(ii) the element of consent and coercive conduct, including deceit;

''(iii) the element of physical resistance and affirmative nonconsent as a precondition for conviction;

''(iv) the element of force, including penetration requirement as aggravating factor and use of coercion;

''(v) evidentiary matters—

''(I) inferences—timeliness of complaint under the Model Penal Code;

''(II) post traumatic stress disorder (including rape trauma syndrome) relevancy of scope and admissibility;

''(III) rape shield laws—in camera evidentiary determinations;

''(IV) prior bad acts; and

''(V) corroboration requirement and cautionary jury instructions;

''(vi) the existence of special rules for rape and sexual assault offenses;

''(vii) the use of experts;

''(viii) sentencing—

''(I) plea bargains;

''(II) presentence reports;

''(III) recidivism and remorse;

''(IV) adolescents;

''(V) psychological injuries;

''(VI) gravity of crime and trauma to victim; and

''(VII) race; and

''(ix) any personal or professional relationship between the perpetrator and the victim; and

''(B) any recommendations of the Attorney General for reforms to foster uniformity among the States in addressing rape and sexual assault offenses in order to protect victims more effectively while safeguarding the due process rights of the accused.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211)—

''(1) to carry out subsection (a), $3,000,000 for each of fiscal years 2000 and 2001;

''(2) to carry out subsection (b), $2,100,000 for each of fiscal years 2000 and 2001;

''(3) to carry out subsection (c), $200,000 for fiscal year 2000;

''(4) to carry out subsection (d), $500,000 for fiscal year 2000; and

''(5) to carry out subsection (e), $200,000 for fiscal year 2000.''.

TITLE V—EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND

SEC. 501. EXTENSION.

(a) IN GENERAL.—Section 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211(b)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(7) for fiscal year 2001, $4,400,000,000; and

''(8) for fiscal year 2002, $4,500,000,000.''.

(b) CONFORMING DISCRETIONARY SPENDING CAP REDUCTION.—Upon enactment of this Act, the discretionary spending limits for fiscal years 2001 and 2002 set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) are reduced as follows:

(1) For fiscal year 2001, $4,400,000,000 in new budget authority and $5,981,000,000 in outlays.

(2) For fiscal year 2002, $4,500,000,000 in new budget authority and $4,530,000,000 in outlays.

By Mr. BOND (for himself, Mr. ASHCROFT, Mr. SANTORUM, Mr. BURNS, Mr. SHELBY, Mr. INHOFE, and Mr. BROWNBACK):

S. 52. A bill to provide a direct check for education; to the Committee on Health, Education, Labor, and Pensions.

DIRECT CHECK FOR EDUCATION ACT

Mr. BOND. Mr. President, as we start this 106th Congress, I think it is clear that education is going to be one of the top priorities we will address in this session of Congress. We are going to be working on the reauthorization of the Elementary and Secondary Education Act, and I believe all of us, on both sides, are saying that this is a national priority.

As my colleague from Massachusetts, Senator JOHN KERRY, said in a speech that he made at Northeastern University, ''Ever since there has been a United States of America, there have been public schools. And there has been a constant debate about how to make them work.'' I know that since I was elected to the United States Senate 12 years ago I have listened and participated in the many debates on public education that have occurred in this institution. I have even had some ideas of my own on how to improve education—some of which have been passed by this body and signed into law.

My intentions, like those of my Senate colleagues—have been good intentions. We all share the same goal of providing our children with a great education. We have been trying to do the right thing.

Today, however, our good intentions have mushroomed into burdensome regulations, unfunded mandates, and unwanted meddling. Parents, teachers, and local school officials have less and less control over what happens in the classroom. Instead of empowering parents, teachers, and local school officials we have empowered the federal government and bureaucrats. We have slowly eroded the opportunity for creativity and innovation on the local level and have once again established a system where supposedly the Olympians on the hill know what is best for the peasants in the valley.

Mr. President, let me give you some examples of what our good intentions have gotten us.

We have 760 education programs scattered throughout 39 different federal agencies. Vice President GORE's National Performance Review said that the Department of Education's discretionary grant process lasts 26 weeks and takes 487 steps from start to finish. The General Accounting Office has estimated that there are nearly 13,400 full-time jobs in the 50 states funded by the Department of Education with an additional 4,600 direct Department of Education employees.

We have teachers being taken off the task of teaching, preparing lesson plans, taking on after school student activities, etc. and instead are researching for grant opportunities, reading regulations, preparing applications, filling out paperwork requirements, complying with cumbersome rules, and reporting on how they spend the federal money received. Or we have teachers and administrators deciding that the extra federal money is not worth the time and effort that it will take to get and comply with that they do not even bother to go through the process.

Most of us are now aware of the Third International Mathematics and Science Study, released last year by the National Center for Education Statistics, that ranked American senior high school students 19th out of 21 industrialized nations in math, and 16th out of the same 21 countries in science. In addition, 40 percent of our Nation's fourth graders do not read at even a basic level. Colleges across this country are spending over $1 billion a year in remedial education.

Is this acceptable? Are we satisfied with the status quo? The answer should be—must be—an unequivocal NO.

In our business we pay a lot of attention to polls. For several years, the polls across the country have been telling us that we have a problem with public education. This is not new news and the question remains the same: How do we fix public education?

Mr. President, before I provide my answer to that question I want to take this opportunity to read from an editorial from a home-state newspaper, the Southeast Missourian.

Nearly a decade ago, then-President Bush and the nation's governors set a series of goals for America's schoolchildren in reading, math, graduation rates and other measures. But the national education goals panel says the nation's public schools will fall short of the goals for 2000.

We can only hope these continued failures to improve education will result in a overthrow of the so-called experts. These are the people, usually far removed from the classroom, who embrace quick fixes and fads in the face of each hand-wringing report.

Unfortunately, the fixes make the problems worse. What's needed is to return America's schools back to the basics and back to local teachers, administrators, school boards, and parents. Without a foundation in the basics, the rest of education just won't take.

We must take so-called remedies out of the hands of the federal government. National mandates are meaningless for America's schools. The problem must be addressed one district and one school at a time. Why not let classroom teachers—instead of bureaucrats and politicians—fashion a plan to improve learning in the classroom? Give more control to the local districts in building reading retention, math skills and graduation rates?

Mr. President, the editorial goes on, but it ends with the following:

The answer to fixing America's educational woes rests with individual school boards and passionate educators. The bureaucrats must reduce the red tape and mandates that are strangling our schools. Give those who know best the time, talent and incentives to finally fix public education.

I agree with the Southeast Missourian. The answer to improving public education does not lie within the halls of Congress or in the granite buildings of the downtown Washington education establishment. As the editorial stated, we are ''far removed from the classroom.''

In my opinion, the real solutions—the laboratories—are local schools when they are given the opportunity to excel and not play the ''Mother, May I?'' game with Washington.

Here in Congress we must not be afraid to propose change. But in proposing change we must go directly to those who can provide some answers—the teachers, principals, school administrators, school board members, and parents.

For the past couple of years, I have done just that and have developed in conjunction with them the ''Direct Check for Education Act.''

Quite simply, the purpose of this bill is to consolidate six, primarily competitive grant programs of the Department of Education's programs. The programs are Goals 2000, School-to-Work, Education Technology, Innovative Education Program Strategies, Fund for the Improvement of Education, and the President's 100,000 teachers program. The bill then proposes to return the federal funding by issuing a ''Direct Check'' to the local school district based on the number of students in each district. The result would be a resource of flexible funding that would allow individual schools and parents to determine how best to use the funds, including the hiring of new teachers, additional classrooms, new textbooks, expanded technology initiatives, drug and alcohol prevention programs, etc. The list goes on and on.

My ''Direct Check'' proposal is not the ''save-all'' answer. But the ''Direct Check'' will reduce the costly and time-consuming paperwork process that local school districts endure in obtaining federal grants and funding. It will treat children and schools the same by awarding funding to schools based upon the students served instead of rewarding some and penalizing others. My ''Direct Check for Education'' is a first step in simplifying and going ''back to the basics'' of education.

Mr. President, there will be those in the Washington education establishment who will oppose this bill. Instead of finding ways to empower those at the local level the opposition will argue that we need even more federal programs, more bureaucracy, more micro management of the classroom.

I believe the bottom line is this: Education, while a national priority, is a local responsibility. We must empower parents, teachers, school administrators, school boards, etc. because education decisions can best be made by people at the local schools who know the names and the challenges facing the students in those schools.

Let's keep things simple. Let's take off the Federal stranglehold and let local school districts do their jobs. Let's educate our children for a lifetime of achievement.

We have burdened it with excessive regulations and red tape. We have once again established a system where supposedly the ''olympians'' on the Hill know what is best for the ''peasants'' in the valley.

I agree with my colleagues on both sides of the aisle: Education is and must be a national priority. But the good intentions that we have had in this body have led to the creation of more than 760 Federal education programs. Has that made education better? I don't think so. We added three more last year. And now we gather that the President is going to come up with a grand new Federal scheme. How many people really believe that the 764th Federal education program is going to assure that our kids can read? Is it going to assure that we get our high school students out of the 19th place out of 21 in terms of mathematics? I don't believe so.

Our system is not working. If you want to know how well it is working, go back home. Ask the teachers in your local school district. Ask the principals in your local school district. Ask the parents at home. Ask the school board members. If you do that, I believe you will hear what I have heard, time and time again: They are tired of playing ''Mother, May I?'' with the Federal Government. They are tired of spending the time to fill out the forms for the grants, to comply and jump through the hoops that the Federal Government sets out for them, to write the reports and fill out the evaluation forms that are needed, only to have a competitive grant program run out at the end of 3 years. They are tired of playing ''Mother, May I?'' with the Federal Government.

We have an opportunity to do something that I think is very significant. Instead of going down the road that is going to be proposed of another new Federal program, we ought to take the remedies out of the hands of the Federal Government. National mandates are meaningless for American schools. The problems must be addressed one school district, one school, at a time. Why not let classroom teachers, the parents, the administrators—instead of bureaucrats and politicians—make the decisions on how to improve the education in their school districts? Give more control back to local districts and let them build reading retention, math skills, and improve graduation rates.

Mr. President, I am today introducing a bill we call the direct check for education bill. It takes six of the major Federal competitive grant programs—Goals 2000, School-to-Work, Education Technology, Innovative Education Program Strategies, the Fund for the Improvement of Education, and the President's 100,000 teachers program—and puts them into a pool. That pool is to be divided on the basis of the students—K through 12—on average daily attendance. And it is to be returned to those local school districts on the basis of the number of students they have. Very simple. Cut the Federal red tape. Let them use those education dollars.

It starts off with a $3.5-million authorization, because we want to allow schools that already have competitive grants of multiyear tenure to complete those grants. At the end it will rise to $5 billion. It should come out to about $100 per student in every school—and turn the job back to the local schools, the parents, the teachers, the school board members, the administrators.

There are those who oppose this approach. They argue that we need even more Federal control. But as I said at the beginning, while it is a national priority, education must be returned to the local school districts as a local responsibility, to empower the people who know the names of the kids, their problems, their challenges, and their opportunities, to make the decision.

Let's keep things simple. Let's take off the Federal stranglehold. Let's let local schools do their jobs. Let's educate our children for a lifetime of achievement. Ask your teachers, your principals, your superintendents, your school board members; and then I ask my colleagues to join me in cosponsoring this legislation that Senator ASHCROFT and I are introducing today.

Mr. President, I ask unanimous consent that the text of the bill and common questions about the direct check for education bill be printed in the RECORD.

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

S. 52

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 ''Direct Check for Education Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) education should be a national priority but must remain a local responsibility;

(2) the Federal Government's regulations and involvement often creates barriers and obstacles to local creativity and reform;

(3) parents, teachers, and local school districts must be allowed and empowered to set local education priorities; and

(4) schools and education professionals must be accountable to the people and children served.

SEC. 3. DEFINITIONS.

In this Act:

(1) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(3) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SEC. 4. DIRECT AWARDS TO LOCAL EDUCATIONAL AGENCIES.

(a) DIRECT AWARDS.—From amounts appropriated under subsection (b) and not used to carry out subsection (c), the Secretary shall make direct awards to local educational agencies in amounts determined under subsection (e) to enable the local educational agencies to support programs or activities, for kindergarten through grade 12 students, that the local educational agencies deem appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this Act $3,500,000,000 for each of the fiscal years 2000 and 2001, $4,000,000,000 for each of the fiscal years 2002 and 2003, and $5,000,000,000 for fiscal year 2004.

(c) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated under subsection (b) for each fiscal year to continue to make payments to eligible recipients pursuant to any multiyear award made prior to the date of enactment of this Act under the provisions of law repealed under subsection (d). The payments shall be made for the duration of the multiyear award.

(d) REPEALS.—The following provisions of law are repealed:

(1) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.).

(2) Section 307 of the Department of Education Appropriations Act, 1999.

(3) Title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6801 et seq.).

(4) Part B of title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7331 et seq.).

(5) Part A of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.).

(6) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(e) DETERMINATION OF AMOUNT.—

(1) PER CHILD AMOUNT.—The Secretary, using the information provided under subsection (f), shall determine a per child amount for a year by dividing the total amount appropriated under subsection (b) for the year, by the average daily attendance of kindergarten through grade 12 students in all States for the preceding year.

(2) LOCAL EDUCATIONAL AGENCY AWARD.—The Secretary, using the information provided under subsection (f), shall determine the amount provided to each local educational agency under this section for a year by multiplying—

(A) the per child amount determined under paragraph (1) for the year; by

(B) the average daily attendance of kindergarten through grade 12 students that are served by the local educational agency for the preceding year.

(f) CENSUS DETERMINATION.—

(1) IN GENERAL.—Each local educational agency shall conduct a census to determine the average daily attendance of kindergarten through grade 12 students served by the local educational agency not later than December 1 of each year.

(2) SUBMISSION.—Each local educational agency shall submit the number described in paragraph (1) to the Secretary not later than March 1 of each year.

(g) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under subsection (f) for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency would have received under this section if the agency had submitted accurate information under subsection (f).

(h) DISBURSAL.—The Secretary shall disburse the amount awarded to a local educational agency under this Act for a fiscal year not later than July 1 of each year.

SEC. 5. AUDIT.

(a) IN GENERAL.—The Secretary may conduct audits of the expenditures of local educational agencies under this Act to ensure that the funds made available under this Act are used in accordance with this Act.

(b) SANCTIONS AND PENALTIES.—If the Secretary determines that the funds made available under section 4 were not used in accordance with section 4(a), the Secretary may use the enforcement provisions available to the Secretary under part D of the General Education Provisions Act (20 U.S.C. 1234 *et seq.*).

COMMON QUESTIONS ABOUT THE DIRECT CHECK FOR EDUCATION

What programs make up the new Direct Check for Education?

Goals 2000; School-to-Work; Education Technology (Title III); Innovative Education Program Strategies (Part B, Title VI); Fund for the Improvement of Education (Part A, Title X); 100,000 Teachers.

What is the level of funding for the Direct Check for Education?

Based on fiscal year 1999 appropriations first year funding could be more than $3.5 billion. Over 5 years the ''Direct Check'' total could provide over $20 billion in direct checks to local schools.

How can the Direct Check funds by spent?

The local school district, with parents, teachers, administrators, etc., would have the flexibility to spend the funds on what they determine to be the priorities—new teachers, new classrooms, textbooks, computers, drug prevention programs, etc.

Does the Direct Check for Education impact Title I funding for disadvantaged students?

The bill does not make any changes to Title I.

How are private schools affected by the Direct Check for Education?

The bill makes no changes affecting private schools.

How will States and the federal government be sure the funds are properly spent?

The Department of Education will have post-audit review authority and would retain the same sanctions and penalties currently in place.

What will determine the Direct Check amount for a local school?

The total amount for funds provided divided by the number of students nationally will give you a per student average. That average multiplied by the number of students in a local school will give that school the amount of its ''Direct Check''.

Mr. ASHCROFT. Mr. President, I rise today to commend the Senior Senator from Missouri for his introduction of the ''Direct Check for Education'' bill. It is with great pleasure that I add my name as a cosponsor of this important legislation, which will improve the educational opportunities for our nation's school children by sending federal resources directly to local school districts to use in the way they know will benefit students most effectively.

Mr. President, when we talk about education, we should start by asking: ''What do our parents want for their children? We know that parents want their children to get a first-class education that boosts student achievement and elevates them to excellence. Parents want schools that are safe, classes that are small, and principals and teachers to have authority to make the right decisions in all areas of learning, school discipline and after-school activities. Parents want teachers who care for students and know the subjects they teach. Parents do not want Washington in control of classrooms.

The next question we should ask is: How can we attain what parents want? How can our children achieve academic excellence? The House Committee on Education and the Workforce Subcommittee on Oversight and Investigations answered this question in a report released in July 1998, called ''Education at a Crossroads: What Works and What's Wasted in Education Today.'' The Subcommittee found that successful schools and school systems were not the product of federal funding and directives, but instead were characterized by: parental involvement in the education of their children, local control, emphasis on basic academics, and dollars spent in the classroom, not on distant bureaucracy and ineffective programs. These are the ingredients we must have to elevate educational performance.

Knowing the ingredients of educational success for our children, we must next ask whether our current federal education programs contain these ingredients.

First, we should observe that in a sense, the federal government has played conflicting roles in education, providing resources with one hand, while creating obstacles with the other. We have spent over $12 billion on major education programs in the last two years, and this year, we are slated to spend nearly $15 billion. Yet, if current trends continue, only about 65% of federal education dollars will be spent this year on educating our children,

due to the excessive bureaucracy in our federal programs.

And we should remember that federal funding accounts for only about 7% of the total amount spent on education, while the lion's share comes from state and local taxes. However, that 7% of the funding pie consumes a disproportionate share of the time states and local school districts need to administer education programs. Unfortunately, most federal education programs often do not contain the basic ingredients for educational success, but rather contain components that can actually stifle the ingredients for success.

In the last 35 years, the federal government has continued to take away parental involvement, local control, flexibility, and teacher and community input by spinning a complex web of federal elementary and secondary education programs, each of which contain their own set of rules that consume the time and resources of states and school districts.

A 1990 study found that 52% of the paperwork required of an Ohio school district was related to participation in federal programs, while federal dollars provided less than 5% of total education funding in Ohio. In Florida, 374 employees administer $8 billion in state funds. However, 297 state employees are needed to oversee only $1 billion in federal funds—six times as many per dollar. The Federal Department of Education requires over 48.6 million hours worth of paperwork to receive federal dollars. This bureaucratic maze takes up to 35% of every federal education dollar.

Many federal programs have taken away precious dollars and teacher time. Rather than being able to spend time on classroom preparation, teachers instead have to spend hours filling out federal forms to comply with federal rules.

Another problem with a number of our federal education programs is that many of our children and school districts never get to see the federal tax dollars that their parents pay for education. This is because a great deal of federal educational funding is awarded on a competitive basis. In essence, local schools must come to Washington and beg for the money taxpayers sent to the federal treasury. As a result, smaller and poorer schools, who don't have the time and money to wade through thick grant applications or hire a grant writer, cannot share in the money their parents sent to the federal government.

To make matters worse, once a school district is successful in obtaining a competitive grant after a harrowing application process, it must spend countless hours and resources complying with the leviathan of regulations and rules attached to the grant.

Competitive funding, along with the vast number of federal education programs, has led to a cottage industry in selling information on education program descriptions, filing instructions, and application deadlines for each of these programs. The ''Education at a Crossroads'' report I mentioned earlier describes this cottage industry:

> ''The Education Funding Research Council identifies potential sources of funds for local school districts, and sells for nearly $400 the Guide to Federal Funding for Education. The company promises to steer its subscribers to ''a wide range of Federal programs,'' and offers these subscribers timely updates on ''500 education programs.'' More recently, the Aid for Education Report published by CD Publications advertised that ''huge sums are available. . .in the federal government alone, there are nearly 800 different education programs that receive authorization totaling almost a hundred billion dollars.''

It's a shame that a school district has to pay $400 for a catalog to learn how to get back the money that its community has sent to Washington to educate its children. But sadly, this is often the case.

A third problem we can identify with many current federal education programs is that federal dollars are often earmarked for one particular use, and cannot be used for any other purpose. This inflexible funding hurts schools that have other needs than the ones prescribed by the federal government. A recent example of this is the $1.2 billion earmarked last year for classroom size reduction. While more teachers and class size reduction are noble endeavors, some schools don't need more teachers, but instead need more computers. However, the only use of this $1.2 billion can be for hiring more teachers. Such a policy flies in the face of one ingredient for educational success, local control.

So, we know we have created a lot of federal education programs and we have dedicated a great deal of resources for these programs. What results are we getting? The National Center for Education Statistics' NAEP 1994 Reading Report Card for the Nation and the States reveals that 40 percent of fourth graders do not read at a basic level. The same report also indicates that half of the students from urban school districts fail to graduate on time, if at all. And the NAEP Report Card also shows that United States 12th graders only outperformed two out of 21 nations in mathematics. The Brookings Institution released a study in April of 1998 indicating that public institutions of higher education have to spend $1 billion each year on remedial education for students.

Knowing these disastrous results, we cannot afford to keep spending our federal education dollars in the same way we have been doing for years if it's not stimulating academic success. Parents, teachers, school boards, and members of our community won't stand for this kind of failure. They want and need opportunities to be more involved in deciding how to spend the federal education dollar, because they know what works. We must spend our federal resources for elementary and secondary education in ways that embrace the ingredients of success.

Rather than fund the patchwork of federal elementary and secondary education programs that Washington wants, Congress should send that money directly to local school districts. Parents and teachers need the financing, flexibility and freedom to fund programs they know will improve their children's education.

Senator BOND's ''Direct Check for Education'' proposal does just this. He takes some of the Department of Education's largest competitive grant programs and returns the money in the form of a ''direct check'' to the local school districts based on the number of students in each district. Schools may use the funds in ways they believe will be most effective in elevating student achievement.

Under the ''Direct Check'' proposal, no longer would school districts have to come to Washington and beg for the money they sent to Washington to educate their children. No longer would teachers and administrators have to spend countless and wasted hours filling out federal grant application and compliance forms. No longer would schools be forced to earmark federal dollars for programs that have no relevance to their students' needs. Rather, school districts with the input of teachers, school boards, administrators, and of course, parents, would have the authority and flexibility to use federal dollars for what they best see fit.

For example, local schools could deploy resources to hire new teachers, raise teacher salaries, buy new textbooks or new computers—whatever the schools deem most important to the educational success of their students. The Direct Check to Education proposals gives schools more time, flexibility, and money to spend on what's most important: providing classroom instruction to our nation's children.

With the flexible, equitable distribution of federal funding under Senator BOND's proposal comes accountability. Local school districts will be penalized for knowingly submitting false information regarding the number of students in their districts. Moreover, the Secretary of Education may audit local educational agency expenditures to ensure that funds are used in accordance with the Direct Check in Education Act. And most importantly, parents, school boards, and members of the community will be able to give direct input into funding decisions, since those decisions will be made right in the community, rather than hundreds, and sometimes thousands, of miles away in Washington, D.C. Local decision making allows for local accountability.

Mr. President, we have learned from experience that our many of our current federal education programs and dollars are not producing what we expect for our students. We know that successful education programs occur when crucial decisions are made by local communities, teachers, school boards, and parents. This is why I support Senator BOND's ''Direct Check for Education'' proposal. His plan embraces the ingredients of educational success, as it gives parents, teachers and school boards the authority and flexibility to direct funds to programs they know work for their children.

As I said earlier, Senator BOND's proposal consolidates a number of the Department of Education's federal programs for elementary and secondary education. I believe we should explore whether other federal education programs—both within and outside the Department of Education—should also be taken and put into a ''direct check'' to our local school districts. We must continue to look for ways to direct our federal resources in ways that reflect the ingredients of success and educational excellence for our children.

By Mr. KYL (for himself and Mr. COVERDELL):

S. 53. A bill to amend the Internal Revenue Code of 1986 to provide a reduction in the capital gain rates for all taxpayers and a partial dividend income exclusion for individuals, and for other purposes; to the Committee on Finance.

CAPITOL GAINS AND DIVIDEND INCOME REFORM ACT

By Mr. KYL:

S. 54. A bill to amend the Internal Revenue Code of 1986 to repeal the corporate alternative minimum tax; to the Committee on Finance.

CORPORATE TAX EQUITY ACT

By Mr. KYL (for himself and Mr. COVERDELL):

S. 55. A bill to amend the Internal Revenue Code of 1986 to limit the tax rate for certain small businesses, and for other purposes; to the Committee on Finance.

SMALL BUSINESS INVESTMENT AND GROWTH ACT

By Mr. KYL (for himself, Mr. ALLARD, Mr. ASHCROFT, Mr. BURNS, Mr. COCHRAN, Mr. COVERDELL, Mr. CRAPO, Mr. ENZI, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. MURKOWSKI, Mr. ROBERTS, Mr. SMITH of New Hampshire, Mr. THOMAS, and Mr. SESSIONS):

FAMILY HERITAGE PRESERVATION ACT

S. 56. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

Mr. KYL. Mr. President, today I introduce a series of bills designed to help sustain the economic expansion and enhance the rate of economic growth in this country. The four measures, which together make up what I refer to as the Agenda for Economic Growth and Opportunity, will help encourage investment in small businesses, enhance the wages of American workers, and make our country more competitive in the global economy.

Mr. President, it was just over 36 years ago that President John F. Kennedy made the following observation in his State of the Union message—an observation that someone could just as easily make about today's economy. He said, ''America has enjoyed 22 months of uninterrupted economic recovery.'' The current expansion, albeit weaker than most during this century, has gone on somewhat longer. ''But,'' President Kennedy went on to say, ''recovery is not enough. If we are to prevail in the long run, we must expand the long-run strength of our economy. We must move along the path to a higher rate of economic growth.''

Economic growth. The concept is studied endlessly by economists and statisticians, but what does it mean for the average American family, and why should policy-makers be so concerned about it?

For most of the 20th century, our nation enjoyed very strong rates of economic growth and the dividends that came with it. The 1920s saw annual economic growth above five percent. In the 1950s, it was above six percent. Economic growth during the Kennedy and Johnson years averaged 4.8 percent annually. During the years after the Reagan tax cuts and before the 1990 tax increase, the economy grew at an average rate of 3.9 percent a year, according to data supplied by the Joint Economic Committee.

The Clinton years, by contrast, have actually seen the economy grow at a much slower rate—an average rate of only about 2.3 percent a year. And recent estimates by the Congressional Budget Office project that the growth of real Gross Domestic Product is likely to slow to just over two percent for the last part of 1998 and the early part of 1999. What that means is that, while we may not exactly be hurting as a nation, we are not becoming much better off, either. We are certainly not leaving much of a legacy for our children and grandchildren to meet the needs of tomorrow.

Slower growth means fewer job opportunities in the days ahead for young Americans just entering the workforce and for those people seeking to free themselves from the welfare rolls. It means stagnant wages and salaries, and fewer opportunities for career advancement for those who do have jobs. It means less investment in new plants and equipment, and new technology—things needed to enhance productivity and ensure that American businesses can remain competitive in the global marketplace.

So what do we do to spur economic growth—to ensure that jobs will continue to be available for those who want them, that families can earn better wages, and that American business maintains a dominant role in the global economy? Those are, after all, the goals of the agenda I am laying out today—an agenda for economic growth and opportunity for all Americans, for those struggling to make ends meet today, and for our children when they enter the workforce tomorrow.

Let me begin my answer with another quotation from John Kennedy:

> ''[I]t is increasingly clear—to those in Government, business, and labor who are responsible for our economy's success—that our obsolete tax system exerts too heavy a drag on private purchasing power, profits, and employment. Designed to check inflation in earlier years, it now checks growth instead. It discourages extra effort and risk. It distorts use of resources. It invites recurrent recessions, depresses our Federal revenues, and causes chronic budget deficits.''

Mr. President, although we managed to balance the unified budget last year, there is still much in what President Kennedy said that is relevant to our situation today. Consider, for example, that we balanced the budget by taxing and spending at a level of about $1.72 trillion—a level of spending that is 25 percent higher than when President Clinton took office just six years ago. Our government now spends the equivalent of $6,700 for every man, woman, and child in the country every year. That is the equivalent of nearly $27,000 for the average family of four. But all of that spending comes at a tremendous cost to hard-working taxpayers. As President Kennedy put it, it is a drag on private purchasing power, profits, and employment.

The Tax Foundation estimates that the median income family in America saw its combined federal, state, and local tax bill climb to 37.6 percent of income in 1997—up from 37.3 percent the year before. That is more than the average family spends on food, clothing, shelter, and transportation combined. Put another way, in too many families, one parent is working to put food on the table, while the other is working almost full time just to pay the bill for the government bureaucracy.

Perhaps a different measure of how heavy a tax burden the federal government is imposing—how big is the drag on the economy—would be helpful here. Consider that federal revenues hit a peacetime high of 19.8 percent of Gross Domestic Product (GDP) in 1997 and, according to the Congressional Budget Office, will continue to climb—to 20.5 percent in 1998 and 20.6 percent in 1999. That will be higher than any year since 1945, and it would be only the third and

fourth years in our nation's entire history that revenues have exceeded 20 percent of national income. Notably, the first two times revenues broke the 20 percent mark, the economy tipped into recession.

Mr. President, the agenda I am proposing attacks some of the most significant deficiencies in our nation's Tax Code that are inhibiting savings and investment, and job creation—deficiencies that keep us from reaching our potential as a nation. I do not make these proposals as a substitute for fundamental tax reform or an across-the-board reduction in income-tax rates, which I believe are the ultimate solutions to the problem. But fundamental tax reform is going to take some time to accomplish, maybe several years. And I am not convinced that President Clinton will ever agree to an across-the-board reduction in tax rates. Therefore, what we need now are interim steps—things we can do quickly—to make sure our movement into the 21st century is based on the bedrock of a strong and growing economy.

These Tax Code changes will help strengthen the economy and, in turn, produce more revenue for the federal government to help keep the budget balanced. Recent experience proves that it is a strong and growing economy—not high tax rates—that generates substantial amounts of new revenue for the Treasury. It was the growing economy that helped eliminate last year's unified budget deficit.

Mr. President, the first of the four tax-related bills I am introducing is based primarily upon President John Kennedy's own growth package from three decades ago. Like the Kennedy plan, the legislation would reduce the percentage of long-term capital gains included in individual income subject to tax to 30 percent. It would reduce the alternative tax on the capital gains of corporations to 22 percent.

I would note that Democratic President John Kennedy's plan called for a deeper capital gains tax cut than the Republican-controlled Congress passed in 1997.

There was a reason that John Kennedy called for a significant cut in the capital gains tax. ''The present tax treatment of capital gains and losses is both inequitable and a barrier to economic growth,'' the President said. ''The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital from static to more dynamic situations, the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth of the economy.''

So if we are concerned whether new jobs are being created, whether new technology is developed, whether workers have the tools they need to do a better, more efficient job, we should support measures that reduce the cost of capital to facilitate the achievement of all these things. Remember, for every employee, there is an employer who took risks, made investments, and created jobs. But that employer needed capital to start. Economist Allen Sinai estimates that a capital-gains tax reduction would help businesses create as many as 500,000 new jobs.

A capital-gains tax reduction would provide critical help to the country's entrepreneurs, especially those striving to open their own small businesses or grow their businesses. Small business is, after all, that engine that drives the nation's economy. In Arizona, about half of those businesses are run by women. An estimated 130,000 women-owned businesses in the state employ more than 330,000 people. These are precisely the kind of firms that have difficulty securing the capital they need to expand. High capital-gains taxes are one reason why.

Mr. President, it may come as a surprise to some people, but experience shows that lower capital-gains tax rates help not only small businesses and the economy, but federal revenues as well. The most impressive evidence, as noted in a recent report by the American Council for Capital Formation, can be found in the period from 1978 to 1985. During those years, the top marginal federal tax rate on capital gains was cut significantly—from 35 percent to 20 percent—but total individual capital gains tax receipts nearly tripled—from $9.1 billion to $26.5 billion annually.

Data from the National Bureau of Economic Research indicates that the maximizing capital gains tax rate—that is, the rate that would bring in the most Treasury revenue—is somewhere between nine and 21 percent. The Joint Economic Committee estimates that the optimal rate is probably 15 percent or less. The bill I am introducing today would set an effective top rate on capital gains earned by individuals, by virtue of the 70 percent exclusion, at 11.88 percent.

Mr. President, when capital gains tax rates are too high, people need only hold onto their assets to avoid the tax indefinitely. No sale, no tax. But that means less investment, fewer new businesses and new jobs, and—as historical surveys show—far less revenue to the Treasury than if capital gains taxes were set at a lower level. Just as the local department store does not lose money on weekend sales—because volume more than makes up for lower prices—lower capital gains tax rates can encourage more economic activity and, in turn, produce more revenue for the government.

Capital gains reform will help the Treasury. A capital gains tax reduction would help unlock a sizable share of the estimated $7 trillion of capital that is left virtually unused because of high tax rates. More importantly, it will help the family that has a small plot of land it would like to sell, or a small business that would like to expand, buy new equipment, and create new jobs.

Moreover, evidence shows that most of the tax savings will go to Americans of modest means. According to Internal Revenue Service data, almost 53 percent of taxpayers reporting capital gains had adjusted gross incomes of less than $50,000. Another 28 percent have AGIs between $50,000 and $100,000.

Nearly two years ago, this Congress reduced capital gains taxes, but it did so in a way that added substantially to the complexity of the Tax Code. And, in my view, it did not cut the tax rate enough. John Kennedy's idea—that is, simply providing a 70 percent exclusion—was a superior approach, and that is what I am proposing today.

Mr. President, the second part of this bill proposes a similar exclusion for dividend income. The rationale is twofold: first, to further encourage saving and investment; and second, to eliminate any bias in the Tax Code that might favor investments whose returns are paid primarily in capital gains over those that pay dividends. With recent reductions in the capital-gains tax, there may now be more incentive to invest in instruments that produce earnings taxed at the low capital-gains rate, as opposed to investing for dividends which are taxed at the regular, higher income-tax rate. My bill proposes to put dividend income on par with capital gains for purposes of levying an income tax.

The exclusion for dividend income would also go a long way toward eliminating the double taxation of such income, which is currently taxed once at the corporate level and then again when it is provided to investors in the form of dividends. A report by the American Council for Capital Formation notes that dividend income is taxed more heavily in the United States than in most other industrialized countries. The Council indicates that dividend income is subject to a U.S. tax rate of 60.4 percent, compared to an average of 51.1 percent abroad. This high rate is due to the double taxation of dividend income.

Mr. President, the second in this series of bills is the Corporate Tax Equity Act, a bill designed to help U.S. businesses make larger capital expenditures and thereby enhance productivity and job creation by repealing the corporate Alternative Minimum Tax (AMT).

Mr. President, the original intent of the AMT was to make it harder for large, profitable corporations to avoid paying any federal income tax. But the way to have accomplished that objective was not, in my view, to impose an AMT, but to identify and correct the provisions of law that allowed large companies to inappropriately lower their federal tax liabilities to begin

with. Ironically, the primary shelters corporations were using to minimize their tax liability—that is, the accelerated depreciation and safe harbor leasing of the old Tax Code—were being corrected at the time the AMT was enacted.

I would point out that the AMT is not a tax, per se. As indicated in an April 3, 1996 report by the Congressional Research Service, the AMT is merely intended to serve as a prepayment of the regular corporate income tax, not a permanent increase in overall corporate tax liability. What that means in practical terms is that businesses are forced to make interest-free loans to the federal government under the guise of the AMT. Corporations pay a tax for which they are not liable, but which they are able to apply toward their future regular tax liability.

I would also point out that most of the corporations paying the AMT are relatively small. The General Accounting Office, in a 1995 report on the issue, found that, in most years between 1987 and 1992, more than 70 percent of corporations paying the AMT had less than $10 million in assets.

The AMT requires corporations to calculate their tax liability under two separate but parallel income-tax systems. Firms must calculate their AMT liability even if they end up paying the regular tax. At a minimum, that means that firms must maintain two sets of records for tax purposes.

The compliance costs are substantial. In 1992, for example, while only about 28,000 corporations paid the AMT, more than 400,000 corporations filed the AMT form, and an even greater—but unknown—number of firms performed the calculations needed to determine their AMT liability. A 1993 analysis by the Joint Committee on Taxation found that the AMT added 16.9 percent to a corporation's total cost of complying with federal income tax laws.

Mr. President, repealing the corporate AMT would help free up badly needed capital to assist in business expansion and job creation. According to a study by DRI/McGraw-Hill, AMT repeal would have increased fixed investment by a total of 7.9 percent, raised Gross Domestic Product by 1.6 percent, and increased labor productivity by 1.6 percent between 1996 and 2005. The study also projected that repeal would produce an additional 100,000 jobs a year during the years 1998 to 2002.

Mr. President, the third bill in this package is the Small Business Investment and Growth Act, which would ensure that small businesses do not pay a higher income-tax rate than large corporations. Congressman PHIL CRANE of Illinois has been promoting similar legislation in the House of Representatives.

Mr. President, the 1990 and 1993 increases in marginal income-tax rates put a tremendous strain on the nearly two million small businesses around the country that are organized as S corporations. Since these small businesses pay taxes at the individual income-tax rate, they can be subject to rates as high as 39.6 percent—higher than any other corporate entity. By contrast, the top rate imposed on large corporations is only 34 percent.

What sense is there in imposing tax rates on small businesses that are higher than those levied on better financed corporations? Estimates indicate that successful American businesses have been able to create three to four new jobs for every additional $100,000 they retain in the business. So higher taxes are counterproductive. They deny small businesses the funds they need to invest in new jobs, new equipment, and new facilities. That hurts small companies. And it hurts the economy.

The bill I am introducing today would establish a top rate of 34 percent when a small business reinvests its earnings in its operation, or when the earnings are distributed to the shareholders for the purposes of making tax payments. This lower tax rate would be applicable only to the first $5 million in taxable income of the small business.

The bill is a similar, but expanded, version of legislation that I introduced during the 105th Congress. Although the latest version would provide relief to more S corporations, I want to make it clear that I would prefer to provide tax relief to all businesses. And since taxes paid by businesses are merely passed along in the form of higher prices, we are really talking about providing relief to all consumers.

The Small Business Investment and Growth Act represents an important first step toward reducing excessive taxes on small business and encouraging S corporation owners and managers to reinvest income into their businesses, thereby creating more jobs and fueling economic growth. I hope my colleagues will join me in supporting this measure and reducing the tax burden imposed on America's small businesses.

Mr. President, the fourth in the series of economic growth incentives is a bill to repeal the federal estate, or death, tax.

Mr. President, it was Ben Franklin who said some 200 years ago that nothing in this world is certain except death and taxes. Leave it to the federal government to find a way to put those two inevitabilities together to create a death tax that is not only confiscatory, but offensive to Americans' sense of fairness, harmful to the environment, and injurious to small business and the economy.

Although most Americans will probably never pay a death tax, most people still sense that there is something terribly wrong with a system that allows Washington to seize more than half of whatever is left after someone dies—a system that prevents hard-working Americans from passing the bulk of their nest eggs to their children or grandchildren. The respected liberal Professor of Law at the University of Southern California, Edward J. McCaffrey, put it this way: ''Polls and practices show that we like sin taxes, such as on alcohol and cigarettes.'' ''The estate tax,'' he went on to say, ''is an anti-sin, or a virtue tax. It is a tax on work and savings without consumption, on thrift, on long term savings. There is no reason even a liberal populace need support it.''

Democrat economists Henry Aaron and Alicia Munnell reached similar conclusions, writing in a 1992 study that death taxes ''have failed to achieve their intended purposes. They raise little revenue. They impose large excess burdens. They are unfair.''

In fact, 77 percent of the people responding to a survey by the Polling Company last year indicated that they favor repeal of the death tax. When Californians had the chance to weigh in with a ballot proposition, they voted two-to-one to repeal their state's death tax. The legislatures of five other states have enacted legislation since 1997 that will either eliminate or significantly reduce the burden of their states' death taxes.

Talk to the men and women who run small businesses around the country and you will find that death taxes are a major concern to them. The 1995 White House Conference on Small Business identified the death tax as one of small business's top concerns, and delegates to the conference voted overwhelming to endorse its repeal.

Remember, this is a tax that is imposed on a family business at the moment when it is least able to afford the payment—upon the death of the person with the greatest practical and institutional knowledge of that business's operations. It should come as no surprise, then, that a 1993 study by Prince and Associates—a Stratford, Connecticut research and consulting firm—found that nine out of 10 family businesses that failed within three years of the principal owner's death attributed their companies' demise to trouble paying the death tax. Six out of 10 family-owned businesses fail to make it to the second generation. The death tax is a major reason why.

Think of what that means to women and minority-owned businesses in particular. Instead of passing a hard-earned and successful business on to the next generation, many families have to sell the company in order to pay the death tax. The upward mobility of such families is stopped in its tracks. The proponents of this tax always speak of the need to hinder ''concentrations of wealth.'' What the tax really hinders is new American success stories.

Even if a family does not have to sell its business to pay the death tax, there are still significant costs that are imposed either directly or indirectly. Some people simply take preemptive action—they slow the growth of their businesses to limit their death-tax burden. Of course, that means less investment in our communities and fewer jobs created. Others divert money they would have spent on new equipment or new hires to insurance policies designed to cover death-tax costs. Still others spend millions on lawyers, accountants, and other advisors for death-tax planning purposes. But that leaves fewer resources to invest in the company, start up new businesses, hire additional people, or pay better wages.

What that suggests to me is that, although the death tax raises only about one percent of the federal government's annual revenue, it exerts a disproportionately large and negative impact on the economy. Alicia Munnell, who belonged to President Clinton's Council of Economic Advisors, estimates that the costs of complying with death-tax laws are of roughly the same magnitude as the revenue raised, or about $23 billion in 1998. In other words, for every dollar of tax revenue raised by the death tax, another dollar is squandered in the economy simply to comply with or avoid the tax.

Over time, the adverse consequences are compounded. A report issued by the Joint Economic Committee just last month concluded that the existence of the death tax this century has reduced the stock of capital in the economy by nearly half a trillion dollars.

By repealing it and putting those resources to better use, the Joint Committee estimates that as many as 240,000 jobs could be created over seven years and Americans would have an additional $24.4 billion in disposable personal income.

Is it not better to encourage the creation of new jobs for tax-paying Americans than to impose a tax that puts people out of work or lowers their income? I think so, and that is why I favor repeal of the death tax.

Mr. President, I suggested a moment ago that the death tax had a harmful effect, not only on the economy, but on the environment, as well. That is something that we need to consider here. An increasing number of families that own environmentally sensitive lands are having to sell the property for development in order to pay the death tax. Natural habitats are being destroyed as a result. With that in mind, Michael Bean of The Nature Conservancy observed that the death tax is ''highly regressive in the sense that it encourages the destruction of ecologically important land.'' It represents a real and present threat to endangered and threatened species and their habitats.

Mr. President, let me conclude by citing the report issued a few years ago by the National Commission on Economic Growth and Tax Reform, because it goes back to the point about fairness in a very poignant way. The Commission concluded that ''[i]t makes little sense and is patently unfair to impose extra taxes on people who choose to pass their assets on to their children and grandchildren instead of spending them lavishly on themselves.'' I agree. The Commission went on to endorse repeal of the death tax.

Mr. President, the Agenda for Economic Growth and Opportunity will help keep the economy on track—it will help forestall the recession that some economists predict is on the way. It will help improve the standard of living for all Americans. I invite my colleagues' support for this very important initiative.

By Ms. MIKULSKI (for herself, Mr. SARBANES, Mr. ROBB, and Mr. WARNER):

S. 57. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes; to the Committee on Foreign Relations.

FEDERAL EMPLOYEES GROUP LONG-TERM CARE INSURANCE ACT OF 1999

Ms. MIKULSKI. Mr. President, I rise today to introduce the ''Federal Employees Group Long-Term Care Insurance Act of 1999''. This important legislation will provide long-term care insurance to federal employees and retirees. It will also create a model for other employers to use in providing long-term care insurance for their workers. I am proud that this legislation is part of the Democratic agenda for long term care—which includes the $1,000 tax credit for families who are paying the costs of long-term care.

Since my first days in Congress, I have been fighting to help people afford the burdens of long-term care. Ten years ago, I introduced legislation to change the cruel rules that forced elderly couples to go bankrupt before they could get any help in paying for nursing home care. Because of my legislation, AARP tells me that we've kept over six hundred thousand people out of poverty and stopped liens on family farms.

I also fought for higher quality standards for nursing homes. Through the Older American Act funded senior centers, I've made it easier for seniors to get the information and referrals they need to make good choices about long-term care. Those same centers offer case managers to help families navigate the dizzying array of choices when faced with choosing long term care for a family member.

These are important steps. But unfortunately, we haven't made much progress in the last few years. We've been stymied by bipartisan bickering, shutdowns and inaction.

Meanwhile, the costs of long-term care have exploded. Nursing home costs are projected to increase from $40,000 today to $97,000 by 2030. This will only get worse since the number of senior citizens will double over the next thirty years. Families are being forced to chose between sending a child to college or paying for a nursing home for a parent.

Families desperately need help to help themselves and meet their family responsibilities.

This bill is a down payment on making long term care available for all Americans. Let me tell you what my legislation will do:

It will enable federal workers and retirees to purchase long-term care insurance.

It will provide help to those who practice self-help by offering employees the option to better prepare for their retirement and the potential need for long-term care.

It will enable federal employees to pay at group discounted rates. The purchasing power of the federal workforce will empower them to get the best deal.

Federal employees would pay the entire premium for their long-term care insurance, but that premium will be 15% to 20% less than they would pay individually on the open market. This is a good deal for federal workers—and for taxpayers.

I'm starting with federal employees for two reasons. First, as our nation's largest employer, the federal government can be a model for employers around the country. By offering long-term care insurance to its employees, the federal government can set the example for other employers whose workforce will be facing the same long-term care needs. We can use the lessons learned to help other employers to offer this option to their workers.

I have a second reason for starting with our federal employees. I am a strong supporter of our federal employees. I am proud that so many of them live, work, and retire in Maryland. They work hard in the service of our country. And I work hard for them. Whether it's fighting for fair COLAs, against disruptive and harmful shutdowns of the federal government, or to prevent unwise schemes to privatize important services our federal workforce provide, they can count on me.

Promise made should be promises kept. Federal retirees made a commitment to devote their careers to public service. In return, our government made certain promises to them.

One important promise made was the promise of health insurance. We promised our federal workers and their families that they would have health insurance while they were working and

during their retirement. The lack of long-term care for federal workers has been a big gap in this important promise to our federal workers. My legislation will close that gap and provide our federal workers and retirees with comprehensive health insurance.

I am proud that Senator SARBANES and Senator ROBB join me in introducing this bill, and that our colleague Congressman CUMMINGS has introduced this legislation in the House. I hope that we will soon be joined by a bipartisan group of Senators who care about helping American families to cope with the costs of long term care.

Mr. President, long term care requires long term solutions. My legislation is part of the solution. It is an important step forward in helping all Americans to prepare for the challenges of aging.

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

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

S. 57

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 ''Federal Employees Group Long-Term Care Insurance Act of 1999''.

SEC. 2. LONG-TERM CARE INSURANCE.

Subpart G of part III of title 5, United States Code, is amended by adding at the end the following new chapter:

"Chapter 90—Long-Term Care Insurance

''Sec.
''9001. Definitions
''9002. Contracting authority.
''9003. Minimum standards for contractors.
''9004. Long-term care benefits.
''9005. Financing.
''9006. Preemption.
''9007. Studies, reports, and audits.
''9008. Claims for benefits.
''9009. Jurisdiction of courts.
''9010. Regulations.
''9011. Authorization of appropriations.

"§ 9001. Definitions

''For the purpose of this chapter, the term—

''(1) 'annuitant' means an individual referred to in section 8901(3);

''(2) 'employee' means an individual referred to in subparagraphs (A) through (D), and (F) through (I) of section 8901(1); but does not include an employee excluded by regulation of the Office under section 9011;

''(3) 'Office' means the Office of Personnel Management;

''(4) 'other eligible individual' means the spouse, former spouse, parent or parent-in-law of an employee or annuitant, or other individual specified by the Office;

''(5) 'qualified carrier' means an insurer licensed to do business in each of the States and meeting the requirements of a qualified insurer in each of the States;

''(6) 'qualified contract' means a contract meeting the conditions prescribed in section 9002; and

''(7) 'State' means a State or territory or possession of the United States, and includes the District of Columbia.

"§ 9002. Contracting authority

''(a) The Office may, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) or any other statute requiring competitive bidding, purchase from 1 or more qualified carriers a policy or policies of group long-term care insurance to provide benefits as specified by this chapter. The Office shall ensure that each resulting contract is awarded on the basis of contractor qualifications, price, and reasonable competition to the maximum extent practicable.

''(b) The Office may design a benefits package or packages and negotiate final offerings with qualified carriers.

''(c) Each contract shall be for a uniform term of 5 years, unless terminated earlier by the Office.

''(d) Premium rates charged under a contract entered into under this section shall reasonably reflect the cost of the benefits provided under that contract as determined by the Office.

''(e) The coverage and benefits made available to individuals under a contract entered into under this section are guaranteed to be renewable and may not be canceled by the carrier except for nonpayment of premium.

''(f) The Office may withdraw an offering under this section based on open season participation rates, the composition of the risk pool, or both.

"§ 9003. Minimum standards for contractors

''At the minimum, to be a qualified carrier under this chapter, a company shall—

''(1) be licensed as an insurance company and approved to issue group long-term care insurance in all States and to do business in each of the States; and

''(2) be in compliance with the requirements imposed on issuers of qualified long-term care contracts by section 4980C of the Internal Revenue Code of 1986.

"§ 9004. Long-term care benefits

''The benefits provided under this chapter shall be long-term care benefits which, at a minimum, shall be compliant with the most recent standards recommended by the National Association of Insurance Commissioners.

"§ 9005. Financing

''(a) The amount necessary to pay the premium for enrollment of an enrolled employee shall be withheld from the pay of each enrolled employee.

''(b) Except as provided under subsection (d), the amount necessary to pay the premium for enrollment of an enrolled annuitant shall be withheld from the annuity of each enrolled annuitant.

''(c) The amount necessary to pay the premium for enrollment of a spouse may be withheld from pay or annuity, as appropriate.

''(d) An employee, annuitant, or other eligible individual, whose pay or annuity is insufficient to cover the withholding required for enrollment, shall, at the discretion of the Office, pay the premium for enrollment directly to the carrier.

''(e) Each carrier participating in the program established under chapter shall maintain the funds related to this program separate and apart from funds related to other contracts and other lines of business.

''(f) The costs of the Office in adjudicating a claims dispute under section 9008, including costs related to an inquiry not culminating in a dispute, shall be reimbursed by the carrier involved in the dispute or inquiry. Such funds shall be available to the Office for the administration of this chapter.

"§ 9006. Preemption

''This chapter shall supersede and preempt any State or local law which is determined by the Office to be inconsistent with—

''(1) the provisions of this chapter; or

''(2) after consultation with the National Association of Insurance Commissioners, the efficient provision of a nationwide long-term care insurance program for Federal employees.

"§ 9007. Studies, reports, and audits

''(a) Each qualified carrier entering into a contract under this chapter shall—

''(1) furnish such reasonable reports as the Office determines to be necessary to enable the carrier to carry out the functions under this chapter; and

''(2) permit the Office and representatives of the General Accounting Office to examine such records of the carrier as may be necessary to carry out the purposes of this chapter.

''(b) Each Federal agency shall keep such records, make such certifications, and furnish the Office, the carrier, or both, with such information and reports as the Office may require.

"§ 9008. Claims for benefits

''(a) A claim for benefits under this chapter shall be filed within 4 years after the date on which the reimbursable cost was incurred or the service was provided.

''(b) The Office shall adjudicate a claims dispute arising under this chapter and shall require the contractor to pay for any benefit or provide any service the Office determines appropriate under the applicable contract.

''(c)(1) Except as provided under paragraph (2), benefits payable under this chapter for any reimbursable cost incurred or service provided are secondary to any other benefit payable for such cost or service. No payment may be made where there is no legal obligation for such payment.

''(2)(A) Benefits payable under the programs described under subparagraph (B) shall be secondary to benefits payable under this chapter.

''(B) The programs referred to under subparagraph (A) are—

''(i) the program of medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396); and

''(ii) any other Federal or State programs that the Office may specify in regulations that provide health benefit coverage designed to be secondary to other insurance coverage.

"§ 9009. Jurisdiction of courts

''A claimant under this chapter may file suit against the carrier of the long-term care insurance policy covering such claimant in the district courts of the United States, after exhausting all available administrative remedies.

"§ 9010. Regulations

''(a) The Office shall prescribe regulations necessary to carry out this chapter.

''(b) The regulations of the Office may prescribe the time at which and the conditions under which an eligible individual may enroll in the program established under this chapter.

''(c) The Office may not exclude—

''(1) an employee or group of employees solely on the basis of the hazardous nature of employment; or

''(2) an employee who is occupying a position on a part-time career employment basis, as defined in section 3401(2).

''(d) The regulations of the Office shall provide for the beginning and ending dates of

coverage of employees, annuitants, former spouses, and other eligible individuals under this chapter, and any requirements for continuation or conversion of coverage.

"§ 9011. Authorization of appropriations

''There are authorized to be appropriated such sums as may be necessary for the purposes of carrying out sections 9002 and 9010.''.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of enactment of this Act, except that no coverage may be effective until the first day of the first applicable pay period in October, which occurs more than 1 year after the date of enactment of this Act.

By Ms. COLLINS (for herself, Mr. DURBIN, and Mr. JEFFORDS):

S. 58. A bill to amend the Communications Act of 1934 to improve protections against telephone service ''slamming'' and provide protections against telephone billing ''cramming'', to provide the Federal Trade Commission jurisdiction over unfair and deceptive trade practices of telecommunications carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TELEPHONE SERVICE FRAUD PREVENTION AND ENFORCEMENT ACT OF 1999

Ms. COLLINS. Mr. President, I rise today to introduce the ''Telephone Services Fraud Prevention and Enforcement Act of 1999.'' I am pleased to have Senators DICK DURBIN and JIM JEFFORDS as cosponsors of this legislation. This bill is designed to curtail two telephone-related fraudulent practices: slamming—the unauthorized change of a consumer's long distance telephone service provider—and cramming—the billing of unauthorized charges on a consumer's telephone bill. This comprehensive bill is needed to ensure that consumers are adequately protected against these unfair practices.

Mr. President, telephone slamming and cramming are widespread problems, affecting consumers across the country. Nationwide, slamming is the number one telephone-related complaint to the Federal Communications Commission, and the number of such complaints has grown steadily over the past few years. In 1998, in fact, the FCC received more than 20,000 slamming complaints, a 900 percent increase over the number of complaints received in 1993. For fiscal year 1998 (from October 1, 1997 through September 1, 1998), telephone slamming was the number one complaint made by Maine consumers to the FCC's National Call Center. Since there is still no central repository for slamming complaints, the actual incidents of slamming are undoubtedly far more numerous. Estimates from phone companies indicated that perhaps as many as one million Americans were slammed last year alone.

Cramming complaints also remain at unacceptably high levels. In 1998, the FCC's National Call Center received over 15,000 cramming complaints from consumers, making it the 12th most common complaint received by the FCC. In addition, the Federal Trade Commission received over 6,000 cramming complaints from consumers in 1998, making it the FTC's 5th most common complaint. As with slamming, there is no central repository for cramming complaints, so the actual number of such complaints is probably much higher than those documented by the federal government.

In late 1997, the Senate Permanent Subcommittee on Investigations, which I chair, began an extensive investigation into telephone-related fraud against consumers. The story of telephone services fraud, I soon discovered, is a great deal more than just an aggregate number of complaints. On February 18, 1998, I chaired a field hearing on slamming in Portland, Maine, where I heard first-hand from consumers about the problems they experienced when their long distance service was changed without their permission. Their sense of violation was evident. Witnesses used words such as ''stealing,'' ''criminal,'' and ''break-in'' to describe the practices used by unscrupulous telephone companies to boost profits by bouncing unsuspecting customers from carrier to carrier without their permission or even their knowledge.

One witness, for example, Pamela Corrigan from West Farmington, Maine, testified that she was sent an unsolicited mailing, which looked like any other letter in the stacks of junk mail that we all receive every day. This ''junk mail,'' however, was not what it appeared to be. This so-called ''welcome package'' automatically signed her up for a new long distance service unless she returned a card rejecting the change. She was amazed and appalled that it was possible for a company to take over her long distance service simply because she did not respond that she did not want their service.

Building on this record, my Subcommittee held a second slamming hearing on April 23, 1998, in Washington, DC. This hearing exposed how certain fraudulent long distance switchless resellers (companies with no telephone equipment of their own that buy access to larger telephone companies' long distance lines and then ''resell'' that access to consumers) are responsible for a large proportion of the intentional slamming incidents. These electronic bandits use deceptive marketing practices and often outright fraud to switch consumers' long distance service. The Subcommittee also learned how under current industry practices, many companies reap huge profits by taking advantage of consumers in such a fashion.

At my Subcommittee's April 1998 hearing, we examined a case study of telephone services fraud. A man named Daniel Fletcher fraudulently operated as a long distance reseller, using at least eight different company names. In these various guises, Fletcher slammed thousands of consumers, billing them for a total of at least $20 million in long distance charges. The impunity with which Mr. Fletcher deliberately slammed consumers for so long demonstrates the need to establish strong consumer protections to deter intentional slamming.

On July 23, 1998, I convened a hearing in Washington to explore the emerging problem of telephone cramming. At that hearing, we learned how cramming is a growing consumer fraud and how companies are using telephone bills to rip-off consumers by slipping unauthorized charges onto their statements without their consent and without proper notice. The National Consumers League testified that cramming has skyrocketed to first place among the more than 50 categories of telemarketing scams reported to its hotline. The FCC testified that it is relying on the telephone industry to voluntarily implement procedures to stop cramming. However, it was evident from the testimony that unless we establish a clear statutory and regulatory scheme and insist upon rigorous enforcement of these rules, cramming will continue to be a problem for consumers.

In May 1998, the Senate passed a strong anti-slamming bill by a unanimous vote. This bill contained strong consumer protection provisions and mandated aggressive enforcement by the FCC and other federal agencies. Unfortunately, the House retreated significantly from this strong anti-slamming legislation and sent us, at the very end of the legislative session, a bill significantly weaker than the one which passed the Senate—indeed, a bill so weak that it would provide consumers with less protection than they enjoy today, by preempting the important role states play in enforcing consumer anti-fraud protections. Last fall, in the final days of the session, the Congress was unable to agree to an acceptable compromise bill in the limited amount of time available to it.

I was pleased to see, however, that the FCC finally took action in December of last year to curb slamming. Among other measures, the FCC eliminated the ''welcome package'' as a verification method. This method was abused by many long distance carriers, facilitating widespread slamming. I urged the FCC last year to prohibit this practice, and I am glad to see that the Commission promulgated regulations banning the welcome package.

The FCC also made positive changes to the consumer liability rules, absolving consumers in certain circumstances from paying companies that slammed them. This provision is

designed to take the profit out of slamming, to prevent this scam in the first place. I am pleased to see that the Commission adopted this principle which was a major finding of the Subcommittee's investigation of telephone slamming.

The FCC anti-slamming regulations are a step in the right direction, but we need to do more to protect consumers from these fraudulent activities. Today, to increase consumers protections, I am introducing a comprehensive telephone-related anti-fraud bill that will address both the slamming and cramming problems. I want to take this opportunity to explain several provisions in my bill, which is designed to increase consumer protections and to strengthen the enforcement tools available to federal and state regulators.

First, the bill enhances the states' ability to enact regulations and take enforcement actions against slamming and cramming. As the Subcommittee's investigation has revealed, the states have been admirably aggressive in taking enforcement action against companies that engage in telephone-related fraud. For example, in February 1998, the Florida Public Service Commission proposed a $500,000 fine against a company called Minimum Rate Pricing for slamming subscribers. The FCC, in contrast, fined the same company only $80,000. In the Fletcher case mentioned previously, the State of Florida fined one Fletcher company $860,000, while the FCC originally fined one of them only $80,000. I am glad to say that since my subcommittee's investigation, the FCC has significantly increased its enforcement efforts, particularly against Mr. Fletcher.

For the most part, however, the states have been, and remain, the first line of defense against companies that repeatedly slam or cram consumers. This bill protects the states' ability to continue to fight those illegal practices. Specifically, this bill allows the states to impose tough requirements to protect consumers from those companies who continue to slam or cram American consumers. Moreover, states will be able to continue to obtain refunds for consumers who have been harmed by such fraudulent practices.

Second, this bill makes it clear that telephone companies that continue to slam or cram consumers will be subject to tough civil penalties. The bill will create new civil penalties for cramming, and authorize the imposition of stiff penalties by the FCC on those companies who violate FCC regulations against slamming or cramming. The FCC is currently authorized to assess forfeiture penalties of no more than $110,000 for each violation, for a total forfeiture not to exceed $1.1 million for a continuing violation. This bill sends a clear message to the FCC, however, that forfeiture penalties against companies that engage in telephone-related fraud should be large enough to deter such practices. These and other penalties the FCC will be authorized to impose ought to ensure that telephone companies follow proper procedures and refrain from slamming and cramming. If they break the rules by trying to cheat consumers, they will pay a steep price.

But prevention is better than punishment, and any effective enforcement program designed to reduce or eliminate telephone-related fraud must take the financial incentive for fraud away from companies who engage in these practices. The new FCC regulations go a long way to protecting consumers by absolving them from paying any charges for 30 days after they are slammed and by allowing consumers to pay their previously authorized carrier for telephone calls made in the period during which the slamming company fraudulently seized their long distance telephone service. Unfortunately, this FCC regulation does not apply to consumers who did not notice that they were slammed and consequently paid this long distance bill to the unauthorized carrier. The Commission apparently does not have the authority to mandate this requirement. My bill would change the law to allow all consumers to get refunds from unauthorized carriers. Under this plan, all consumers will be treated equally. The bill will also require telephone billing agents to make it clear to consumers that their telephone service will not be terminated when consumers dispute unauthorized charges that are crammed onto their telephone bills.

Finally, the bill will protect a consumer's right to a ''freeze option.'' This provision makes it clear that consumers have the right to stop slammers from changing their long distance service without their authorization. By invoking the freeze option, consumers can retain control over their telephone service by prohibiting any change in a consumers choice of telephone service provider, unless that change is expressly authorized by the consumer. This provision, I should also note, does not in any way prevent the FCC from regulating the marketing practices of telephone companies that use the freeze option in an unfair or deceptive manner. The Commission will be fully empowered to guarantee that consumers' right to protect their choice of local or long distance telephone service is not abridged or diminished. In sum, this language should increase consumers' right to prevent unauthorized changes in their telephone service.

This bill will go a long way to provide strong consumer protection against telephone-related fraud. It preserves the important role states play in protecting consumers and enforcing tough sanctions against unscrupulous carriers; it authorizes tough federal civil penalties against those companies that continue to slam and cram consumers; and it protects consumers' right to a freeze option so that they—and not the telephone companies—have control over their long distance services.

Mr. President, this bill will provide the federal government and the states with the statutory tools to fight the practices of slamming and cramming and to end the systematic defrauding of countless thousands of consumers every year. I urge my colleagues to join me in the fight against telephone-related fraud by supporting this bill.

By Mr. THOMPSON (for himself, Mr. BREAUX, and Mr. LOTT):

S. 59. A bill to provide Government wide accounting of regulatory costs and benefits, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY RIGHT TO KNOW ACT OF 1999

Mr. THOMPSON. Mr. President, today I am introducing the ''Regulatory Right-to-Know Act of 1999.'' I am pleased that Senator BREAUX and Majority Leader LOTT have joined me in this effort. Our goals are to promote the public's right to know about the benefits and costs of regulatory programs; to increase the accountability of government to the people it serves; and ultimately, to improve the quality of our regulatory programs. This legislation will help us assess what benefits our regulatory programs are delivering, at what cost, and help us understand what we need to do to improve them.

By any measure, the burdens of Federal regulation are enormous. By some estimates, Federal regulation costs about $700 billion per year, or $7,000 for the average American household. I hear concerns about unnecessary regulatory burdens and red tape from people all across the country and from all walks of life—small business owners, governors and local officials, farmers, corporate leaders, government reformers, school board members and parents.

There is strong public support for sensible regulations that can help ensure cleaner water, quality products, safer workplaces, reliable economic markets, and the like. But there is substantial evidence that the current regulatory system is missing important opportunities to deliver greater benefits at less cost. The depth of this problem is not appreciated fully because the costs of regulation are not as apparent as other costs of government, such as taxes, and the benefits of regulation often are diffuse. The bottom line is that the American people deserve better results from the vast resources and time spent on regulation. We've got to be smarter.

We often spend a lot of time debating on-budget programs, but we are just

breaking ground on creating a system to scrutinize Federal regulation. This legislation does not change any regulatory standards; it simply will provide better information to help us answer some important questions: How much do regulatory programs cost each year? Are we spending the right amount, particularly compared to on-budget spending and private initiatives? Are we setting sensible priorities among different regulatory programs? As the Office of Management and Budget stated in its first ''Report to Congress on the Costs and Benefits of Federal Regulations'':

> [R]egulations (like other instruments of government policy) have enormous potential for both good and harm. . . . The only way we know how to distinguish between the regulations that do good and those that cause harm is through careful assessment and evaluation of their benefits and costs. Such analysis can also often be used to redesign harmful regulations so they produce more good than harm and redesign good regulations so they produce even more net benefits.

There is broad support for making our government more open, efficient, and accountable. This legislation continues the efforts of my precedessors. Regulatory accounting was a part of a regulatory reform bill that unanimously passed out of the Governmental Affairs Committee in 1995 when BILL ROTH was our chairman. In 1996, when TED STEVENS became our chairman, he passed a one-time regulatory accounting amendment on the Omnibus Appropriations Act. I supported Senator STEVENS' effort when it passed again in 1997, and I sponsored a similar measure last year, with the support of Senators LOTT, BREAUX, ROBB and SHELBY. There also is a broad bipartisan coalition in the House that supports regulatory accounting.

This legislation will continue the requirement that OMB report to Congress on the costs and benefits of regulatory programs, which began with the Stevens amendment. This legislation also adds to previous initiatives in several respects. First, it will finally make regulatory accounting a permanent statutory requirement. Regulatory accounting will become a regular exercise to help ensure that regulatory programs are cost-effective, sensible, and fair. Second, this legislation will require OMB to provide a more complete picture of the regulatory system, including the incremental costs and benefits of particular programs and regulations, as well as an analysis of regulatory impacts on small business, governments, the private sector, wages and economic growth. OMB also will look back at the annual regulatory costs and benefits for the preceding 4 fiscal years, building on information generated under the Stevens amendment. Finally, this legislation will help ensure that OMB provides better information as time goes on. Requirements for OMB guidelines and independent peer review should improve future regulatory accounting reports.

Government has an obligation to think carefully and be accountable for requirements that impose costs on people and limit their freedom. We should pull together to contribute to the success of responsible government programs the public values, while enhancing the economic security and well-being of our families and communities.

Mr. President, I ask unanimous consent that a copy of the Regulatory Right-to-Know Act of 1999 be printed in the RECORD.

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

S. 59

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 ''Regulatory Right-to-Know Act of 1999''.

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) promote the public right-to-know about the costs and benefits of Federal regulatory programs and rules;

(2) increase Government accountability; and

(3) improve the quality of Federal regulatory programs and rules.

SEC. 3. DEFINITIONS.

In this Act:

(1) IN GENERAL.—Except as otherwise provided in this section, the definitions under section 551 of title 5, United States Code, shall apply to this Act.

(2) BENEFIT.—The term ''benefit'' means the reasonably identifiable significant favorable effects, quantifiable and nonquantifiable, including social, health, safety, environmental, economic, and distributional effects, that are expected to result from implementation of, or compliance with, a rule.

(3) COST.—The term ''cost'' means the reasonably identifiable significant adverse effects, quantifiable and nonquantifiable, including social, health, safety, environmental, economic, and distributional effects, that are expected to result from implementation of, or compliance with, a rule.

(4) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget, acting through the Administrator of the Office of Information and Regulatory Affairs.

(5) MAJOR RULE.—The term ''major rule'' means any rule as that term is defined under section 804(2) of title 5, United States Code.

(6) PROGRAM ELEMENT.—The term ''program element'' means a rule or related set of rules.

SEC. 4. ACCOUNTING STATEMENT.

(a) IN GENERAL.—Not later than February 5, 2001, and each year thereafter, the President, acting through the Director of the Office of Management and Budget, shall prepare and submit to Congress, with the budget of the United States Government submitted under section 1105 of title 31, United States Code, an accounting statement and associated report containing—

(1) an estimate of the total annual costs and benefits of Federal regulatory programs, including rules and paperwork—

(A) in the aggregate;

(B) by agency, agency program, and program element; and

(C) by major rule;

(2) an analysis of direct and indirect impacts of Federal rules on Federal, State, local, and tribal government, the private sector, small business, wages, and economic growth; and

(3) recommendations to reform inefficient or ineffective regulatory programs or program elements.

(b) BENEFITS AND COSTS.—To the extent feasible, the Director shall quantify the net benefits or net costs under subsection (a)(1).

(c) YEARS COVERED BY ACCOUNTING STATEMENT.—Each accounting statement submitted under this Act shall cover, at a minimum, the costs and corresponding benefits for each of the 4 fiscal years preceding the year in which the report is submitted. The statement may cover any year preceding such years for the purpose of revising previous estimates.

SEC. 5. NOTICE AND COMMENT.

(a) IN GENERAL.—Before submitting a statement and report to Congress under section 4, the Director of the Office of Management and Budget shall—

(1) provide public notice and an opportunity to comment on the statement and report; and

(2) consult with the Comptroller General of the United States on the statement and report.

(b) APPENDIX.—After consideration of the comments, the Director shall incorporate an appendix to the report addressing the public comments and peer review comments under section 7.

SEC. 6. GUIDANCE FROM THE OFFICE OF MANAGEMENT AND BUDGET.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Director of the Office of Management and Budget, in consultation with the Council of Economic Advisors, shall issue guidelines to agencies to standardize—

(1) most plausible measures of costs and benefits; and

(2) the format of information provided for accounting statements.

(b) REVIEW.—The Director shall review submissions from the agencies to ensure consistency with the guidelines under this section.

SEC. 7. PEER REVIEW.

(a) IN GENERAL.—The Director of the Office of Management and Budget shall arrange for a nationally recognized public policy research organization with expertise in regulatory analysis and regulatory accounting to provide independent and external peer review of the guidelines and each accounting statement and associated report under this Act before such guidelines, statements, and reports are made final.

(b) WRITTEN COMMENTS.—The peer review under this section shall provide written comments to the Director in a timely manner. The Director shall use the peer review comments in preparing the final guidelines, statements, and associated reports.

(c) FACA.—Peer review under this section shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

Mr. BREAUX. Mr. President, I am pleased to introduce the Regulatory Right to Know Act of 1999 with my colleague, Senator THOMPSON. This important piece of legislation will make the regulatory system more understandable and accountable to the American people.

The Regulatory Right to Know Act of 1999 is similar to an amendment that was attached to the Fiscal Year 1999 Treasury, Postal Appropriations bill and which the Senate unanimously

passed on July 29, 1998. It is also similar to the two Stevens' Amendments passed with a large majority of support in the Senate in 1996 and 1997. All of these amendments required the Office of Management and Budget to prepare an accounting statement and report on the annual costs and benefits of federal regulatory programs. Obviously, Congress is on record in support of having more information about the federal regulatory system.

The Regulatory Right to Know Act of 1999 simply makes this requirement permanent and requires OMB to submit a yearly report to Congress on the total costs and benefits of federal regulations. Costs and benefits include those that are both quantifiable and non-quantifiable. OMB must present both an analysis of the impacts of regulations on Federal, State, local and tribal governments, the private sector, small businesses, wages and economic growth, as well as recommendations for reforming wasteful or outdated regulations. Lastly, our bill provides the public with an opportunity to comment on the draft report before it is submitted to Congress.

Our bill does not do a number of things. It does not require that any regulations or programs be eliminated because the benefits do not outweigh the costs. It does not impose an unworkable burden on the OMB because much of the needed information is already available. And, our bill doesn't undermine the need for regulations protecting public health, worker safety, food quality or environmental preservation.

Some studies have estimated the total cost of federal regulations to be almost $700 billion annually. On average, regulations cost every household in America approximately $7,000 per year. As the people who bear the cost of federal regulatory programs, America's citizens have a right to know what they are getting for their $7,000. Taxpayers are able to track how the government spends its tax dollars through the budget process. The same openness should apply to the federal regulatory system. Congress also needs the accounting statements provided by our bill in order to make better, more informed, and more efficient decisions. For these reasons. I urge all of my colleagues to support the Regulatory Right to Know Act of 1999.

By Mr. GRASSLEY:

S. 60. A bill to amend the Internal Revenue Code of 1986 to provide equitable treatment for contributions by employees to pension plans; to the Committee on Finance.

ENHANCED SAVINGS OPPORTUNITIES ACT

Mr. GRASSLEY. Mr. President, I rise today to introduce legislation that lifts the unfair limits on how much people can save in their employer's pension plan. I have been an advocate of increasing the amount of public education we provide to people on the importance of saving for retirement. However, we also must take more tangible action that will help workers achieve a more secure retirement.

The legislation I am introducing today amends two provisions in the Internal Revenue Code which discourage workers and employers from putting money into pension plans. One of the most burdensome provisions in the Internal Revenue Code is the 25 percent limitation contained within section 415(c). Under 415(c), total contributions by employer and employee into a defined contribution (DC) plan are limited to 25 percent of compensation or $30,000 for each participant, whichever is less. That limitation applies to all employees. If the total additions into a DC plan exceed the lesser of 25 percent or $30,000, the excess money will be subject to income taxes and a penalty in some cases.

The second tax code provision affected by this legislation is section 404(a)(3). This section regulates the amount of retirement plan contributions an employer can deduct for tax purposes. We need this change because those deduction limits are impacted by how much the employee puts into the retirement plan. If we are successful in changing 415(c), we run the risk of more employers bumping into the 15% deduction limit—we don't want that to happen.

To illustrate the need for elimination of the 25 percent limit let me use an example. Bill works for a medium size company in my home state of Iowa. His employer sponsors a 401(k) plan and a profit sharing plan to help employees save for retirement. Bill makes $25,000 a year and elects to put in 10 percent of his compensation into the 401(k) plan, which amounts to $2,500 per year. His employer will match the first 5 percent of his compensation, which comes out to be $1,250, into the 401(k) plan. Therefore, the total 401(k) contribution into Bill's account in this year is $3,750. In this same year Bill' s employer determines to set aside a sufficient amount of his profits to the profit sharing plan which results in an allocation to Bill's account in the profit sharing plan the sum of $3,205. This brings the total contribution into Bill's retirement plan this year up to $6,955.

Unfortunately, because of the 25 percent of compensation limitation only $6,250 can be put into Bill's account for the year. The amount intended for Bill's account exceeds that limitation by $705. Hence, the profit sharing plan administrator must reduce the amount intended for allocation to Bill's account by $705 in order to avoid a penalty. Bill is unlikely to be able to save $705, a significant amount that would otherwise be yielding a tax deferred income which would increase the benefit Bill will receive at retirement. Bill's retirement saving is shortchanged by $705 plus the tax-deferred earnings it would have generated.

Now let's look at Irene. Irene works for the same company, but she makes $45,000 a year. She also puts in 10 percent of her compensation into the 401(k) plan, and her employer matches five percent of her salary into the account. That brings the combined contribution of Irene and her employer up to $6,750. She would also receive a contribution of $3,205 from the profit sharing plan. This brings the total contribution into Irene's pension plan for that year to $9,955. She is also subject to the 25 percent limit, but for Irene, her limit would not be reached until $11,200. She is able to put in her 10 percent, receive the five percent match and receive the full amount from the profit share because her amount doesn't exceed the limit.

Despite the fact that Bill and Irene have the same discipline to add to their pension plans and save for their retirements, Bill is penalized by the 25 percent limitation. By lifting the 25 percent limit, we can provide a higher threshold of savings for those who need it most.

Permitting additional contributions to DC plans will help those working now, particularly women, to ''catch up'' on their retirement savings goals. Women are more likely to live out the last years of their retirement in poverty for a number of reasons. Women have longer lifespans, they are more likely to leave the workforce to raise children or care for elderly parents, are more likely to have to use assets to pay for long-term care for an ill spouse, and traditionally make less money than their male counterparts. Anyone who has delayed saving for retirement will get a much needed boost to their retirement savings strategy if the 25 percent limit is eliminated for employees.

Not only does this proposal help individual employees save for retirement but it also helps the many businesses, both small and large which are affected by 415(c). First, the 25 percent limitation causes equity concerns within businesses. Low and mid-salary workers do not feel as if the Code treats them equitably, when their higher-paid supervisor is permitted to save more in dollar terms in a tax-qualified pension plan.

Second, one of the primary reasons businesses offer pension plans is to reduce turnover and retain employees. Employers often supplement their 401(k) plans with generous matches or a profit-sharing plan to keep people on the job. The 415(c) limitation inhibits their ability to do that, particularly for the lower-paid workers who are unfairly affected.

Third, this legislation will ease the administrative burdens connected with the 25 percent limitation. Dollar limits

are easier to track than percentage limits.

Finally, I want to placate any concerns that repealing the 25 percent limit will serve as a windfall for high-paid employees. The Code contains other limitations which provide protection against abuse. First, the Code limits the amount an employee can defer to a 401(k) plan. Under section 402(g) of the Code, workers can only defer up to $10,000 of compensation into a 401(k) plan in 1998. In addition, plans still must meet strict non-discrimination rules that ensure that benefits provided to highly-compensated employees are not overly generous.

The value to society of this proposal, if enacted, is undeniable. Increased savings in qualified retirement plans can prevent leakage, meaning the money is less likely to be spent, or cashed out as might happen in a savings account or even an IRA.

There will be those out there who recognize that this bill does not address the impact of the 415 limit for all of the plans that are subject to it. I have included language that would provide relief to 401(k) plans and 403(b) plans, for example. Plans authorized by section 457 of the Code—used by state and local governments and non-profit organizations have not been specifically addressed. I want to assure organizations who sponsor 457 plans that I support ultimate conformity for all plans affected by the 415(c) percentage limitation. Over the next couple of weeks, I hope to work with these organizations to identify the changes that are necessary to achieve equity and simplicity for their employees. In the mean time, this is a positive step toward enhancing the retirement savings opportunities of working Americans.

We have begun to educate all Americans about the importance of saving for retirement, but if we educate and then do not give them the tools to allow people to practically apply that knowledge, we have failed in our ultimate goal to increase national savings. Let's help Americans succeed in saving for retirement. In helping them achieve their retirement goals, they help us to achieve our goal as policymakers of improving the quality of life for Americans.

I want to thank an Iowa company, IPSCO, in Camanche, Iowa, and its many employees for bringing this issue to the forefront. I would also ask unanimous consent that a letter supporting this legislation from the Profit Sharing Council of America be printed in the RECORD.

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

PROFIT SHARING/401(k)
COUNCIL OF AMERICA,
Chicago, IL, January 19, 1999.

Hon. CHARLES E. GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN GRASSLEY: On behalf of the 1,200 Profit Sharing/401(k) Council of America members who sponsor employer-provided retirement plans, I am pleased to announce our strong support of The Enhanced Savings Opportunity Act, introduced today, that would repeal the IRC section 415(c) 25 percent of compensation limit currently imposed on employees participating in defined contribution plans. That limitation caps the combined employee and employer contribution into a 401(k) account to 25 percent of an employee's earnings. The 25 percent limitation has significantly reduced the ability of lower-paid employees, specifically intermittent workers, from taking full advantage of defined contribution retirement programs. Most companies limit the percentage of pay that an employee can contribute to their 401(k) plan to even less than 25 percent in order to insure compliance with 415(c).

The legislation will promote a conducive environment for expanding the savings opportunities in employer-provided retirement programs by removing one of the impediments that prevents employees, especially lower-paid employees, from taking full advantage of profit sharing, 401(k), and other defined contribution programs.

The Enhanced Savings Opportunity Act will permit employees who leave and reenter the workforce, many of whom are women, to make larger contributions when they are working, in effect allowing them to ''catch up'' their contributions. All low-paid employees will now be allowed to defer up to $10,000 of their wages into a 401(k) plan. Also, companies will be permitted to make more generous matching and profit sharing contributions to their employees, especially their lower-paid employees.

We continue to benefit from your strong leadership in support of employer-provided retirement plans and again commend you for this new proposed legislation.

Sincerely,

DAVID L. WRAY,
President.

By Mr. DEWINE (for himself, Mr. HOLLINGS, Mr. ABRAHAM, Mr. SANTORUM, Mr. SPECTER, Mr. BYRD, Mr. HUTCHINSON, and Mr. VOINOVICH):

S. 61. A bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions; to the Committee on Finance.

THE CONTINUED DUMPING OR SUBSIDIZATION OFFSET ACT

Mr. DEWINE. Mr. President, today I join with Senators ABRAHAM, SANTORUM, SPECTER, HOLLINGS, BYRD, HUTCHINSON and others to introduce the Continued Dumping or Subsidy Offset Act. This legislation is designed to ensure that our domestic producers can compete freely and fairly in global markets. This bill is a top priority for me and my fellow cosponsors—not only because we believe it is good policy, but also because it is needed to respond to the current import dumping crisis in our steel industry.

As my colleagues know, the Tariff Act of 1930 gives the President the authority to impose duties and fines on imports that are being dumped in U.S. markets, or subsidized by foreign governments. Our bill would take the 1930 Act one step further. Currently, revenues raised through import duties and fines go to the U.S. Treasury. Under our bill, duties and fines would be transferred to injured U.S. companies as compensation for damages caused by dumping or subsidization.

We believe this extra step is necessary. Current law simply has not been strong enough to deter unfair trading practices. In some cases, foreign producers are willing to risk the threat of paying U.S. antidumping and countervailing duties out of the profits of dumping.

Current law also does not contain a mechanism to help injured U.S. industries recover from the harmful effects of foreign dumping and subsidization. These foreign practices have reduced the ability of our injured domestic industries to reinvest in plant, equipment, people, R&D, technology or to maintain or restore health care and pension benefits. The end result is this: continued dumping or subsidization jeopardizes renewed investment and prevents additional reinvestment from being made.

The current steel dumping crisis is the latest sobering example of why our legislation, among others, is needed to better enforce fair trade. Because of massive dumping, steel imports are at an all-time high. According to the American Iron and Steel Institute, 4.1 net tons of steel were imported in the month of October—that's the second highest monthly total ever, and is 56% higher than the previous year.

This surge in imports is having a direct impact on our own steel industry. In November, U.S. steel mills shipped nearly 7.4 million net tons of steel in November of last year—more than one million tons below what was shipped one year earlier. We have seen U.S. steel's industrial utilization rate fall from 93.1% in March of 1998 to 73.9% in January of 1999. And most troubling of all, approximately 10,000 jobs have been lost in our steel industry since last year. More layoffs are certain. Whether these jobs will ever be restored is uncertain. This is a genuine crisis for the communities in the Ohio River Valley and in other communities across the country.

This is not a case of being on the wrong side of a highly competitive market. Today's U.S. steel industry is a lean, efficient industry—a world leader thanks to restructuring and millions of dollars in modernization. U.S. steelworkers are the best and most productive in the world. In fact, America's workers devote the fewest manpower hours per ton of steel.

Simply being the best is not enough against foreign governments that either erect barriers to keep U.S. steel

out, or subsidize their exports to distort prices. That's why we have trade laws designed to promote fair trade. However, it's clear that our current trade policies aren't working. Current law did not deter foreign steel producers from dumping their products in our country. These foreign producers have done the math. They have made a calculated decision that the risk of duties is a price they are willing to pay in return for the higher global market share they have gained by chipping away at the size and strength of our nation's steel industry.

It's time we impose a heavier price on dumping and subsidization. The Continued Dumping or Subsidization Offset Act would accomplish this goal. It would transfer the duties and fines imposed on foreign producers directly to their U.S. competitors. Under our bill, foreign steel producers would get a double hit from dumping: they would have to pay a duty, and in turn, see that duty go directly to aid U.S. steel producers.

In order to counter the adverse effects of foreign dumping and subsidization on U.S. industries, Congress should pass this bipartisan bill.

The steel crisis also has amplified the need for additional improvements in our trade laws, as well as tougher enforcement of existing laws. Last October, many of us in Congress came together to offer an early New Year's resolution for 1999: to stand up for steel.

Any crisis requires leadership. That's why Congress asked the President to make a New Year's Resolution of his own—one that would honor a pledge he made in 1992 to strongly enforce U.S. antidumping laws. Specifically, Congress asked the President for an action plan no later than January 5th—a plan that would end the distortion and disruption in global steel markets, as well as the disappearance of jobs and opportunity in U.S. steel plants. It was a call for presidential leadership.

On January 8th, the President released a plan that fell far short of what we hoped. It was a plan that showed a reluctance to fully utilize our laws to ensure free and fair trade. It did not recommend any trade legislation to better protect U.S. industry from dumping. As a result, it sends a dangerous signal to foreign governments that dumping will not meet with a swift response from the United States.

I am concerned the President has not fully grasped the magnitude of this problem. In the past few months, I have visited with Ohio Valley steel producers and workers, including a number of the hundreds laid off because of foreign dumping. Their message was the same: the surge in steel imports represents a crisis of historic proportions.

The root of the current import crisis is the financial distress that plagues Asia and Russia, which has created a worldwide oversupply of steel. While foreign consumption of steel has nearly dried up, America's strong economy and open markets have made the United States a prime target for exporters. We are dedicated to assisting these economies—so we can avoid a global downturn. But turning a blind eye toward our steel workers is the wrong way to do it. We simply cannot afford to sacrifice the US steel industry and thousands of American jobs in a desperate attempt to prop up faulty foreign economies. This approach simply will not work.

Although the Commerce Department has initiated an investigation that could result in duties imposed against foreign steel, the President could pursue a number of options to reduce steel imports: He could begin serious and aggressive bilateral negotiations with countries that dump steel; initiate a ''201'' petition with the International Trade Commission if he believes steel imports pose a substantial threat to domestic industry; or take unilateral trade action, including quotas and tariffs, under the International Economic Emergency Powers Act.

The President's plan does not take any of these options. Instead, it treats the symptoms of dumping—declining profits and unemployment—rather than attack the disease itself. The damage from this disease has already been done. Absent tough action to address this dumping directly makes it more difficult for U.S. producers to regain their declining market share, and most important, to restore the jobs that have been lost.

Congress can insist on tough action by the President by passing legislation that will further discourage unfair trade practices. Passing the Continued Dumping or Subsidization Offset Act would be a good start. In addition, I will be joining with Senator ARLEN SPECTER of Pennsylvania to introduce legislation that would lower the statutory threshold for the International Trade Commission (ITC) to find injury caused by imports and establish a steel import permit and licensing program, allowing domestic industry access to critical import data more quickly.

Ultimately, we cannot achieve free and fair markets on a global scale unless our laws work to encourage all competitors to play by the rules. And ultimately, congressional action alone is no substitute for presidential leadership. That's why Congress and the American steel community need to keep the pressure on. In fact, thousands of steel workers from the Ohio Valley are arriving in our nation's capitol in a massive call for presidential leadership. It's time our President took a stand for fair trade. It's time for our President to stand up for steel.

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

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

S. 61

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 ''Continued Dumping and Subsidy Offset Act of 1999''.

SEC. 2. FINDINGS OF CONGRESS.

Congress makes the following findings:

(1) Consistent with the rights of the United States under the World Trade Organization, injurious dumping is to be condemned and actionable subsidies which cause injury to domestic industries must be effectively neutralized.

(2) United States unfair trade laws have as their purpose the restoration of conditions of fair trade so that jobs and investment that should be in the United States are not lost through the false market signals.

(3) The continued dumping or subsidization of imported products after the issuance of antidumping orders or findings or countervailing duty orders can frustrate the remedial purpose of the laws by preventing market prices from returning to fair levels.

(4) Where dumping or subsidization continues, domestic producers will be reluctant to reinvest or rehire and may be unable to maintain pension and health care benefits that conditions of fair trade would permit. Similarly, small businesses and American farmers and ranchers may be unable to pay down accumulated debt, to obtain working capital, or to otherwise remain viable.

(5) United States trade laws should be strengthened to see that the remedial purpose of those laws is achieved.

SEC. 3. AMENDMENTS TO THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) is amended by inserting after section 753 following new section:

''SEC. 754. CONTINUED DUMPING AND SUBSIDY OFFSET.

''(a) IN GENERAL.—Duties assessed pursuant to a countervailing duty order, an antidumping duty order, or a finding under the Antidumping Act of 1921 shall be distributed on an annual basis under this section to the affected domestic producers for qualifying expenditures. Such distribution shall be known as the 'continued dumping and subsidy offset'.

''(d) DEFINITIONS.—As used in this section:

''(1) AFFECTED DOMESTIC PRODUCER.—The term 'affected domestic producer' means any manufacturer, producer, farmer, rancher, or worker representative (including associations of such persons) that—

''(A) was a petitioner or interested party in support of the petition with respect to which an antidumping duty order, a finding under the Antidumping Act of 1921, or a countervailing duty order has been entered, and

''(B) remains in operation.

Companies, businesses, or persons that have ceased the production of the product covered by the order or finding or who have been acquired by a company or business that is related to a company that opposed the investigation shall not be an affected domestic producer.

''(2) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Customs.

''(3) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

''(4) QUALIFYING EXPENDITURE.—The term 'qualifying expenditure' means an expenditure incurred after the issuance of the antidumping duty finding or order or countervailing duty order in any of the following categories:

''(A) Plant.

''(B) Equipment.

''(C) Research and development.

''(D) Personnel training.

''(E) Acquisition of technology.

''(F) Health care benefits to employees paid for by the employer.

''(G) Pension benefits to employees paid for by the employer.

''(H) Environmental equipment, training, or technology.

''(I) Acquisition of raw materials and other inputs.

''(J) Borrowed working capital or other funds needed to maintain production.

''(5) RELATED TO.—A company, business, or person shall be considered to be 'related to' another company, business, or person if—

''(A) the company, business, or person directly or indirectly controls or is controlled by the other company, business, or person,

''(B) a third party directly or indirectly controls both companies, businesses, or persons,

''(C) both companies, businesses, or persons directly or indirectly control a third party and there is reason to believe that the relationship causes the first company, business, or persons to act differently than a nonrelated party.

For purposes of this paragraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.

''(c) DISTRIBUTION PROCEDURES.—The Commissioner shall prescribe procedures for distribution of the continued dumping or subsidies offset required by this section. Such distribution shall be made not later than 60 days after the first day of a fiscal year from duties assessed during the preceding fiscal year.

''(d) PARTIES ELIGIBLE FOR DISTRIBUTION OF ANTIDUMPING AND COUNTERVAILING DUTIES ASSESSED.—

''(1) LIST OF AFFECTED DOMESTIC PRODUCERS.—The Commission shall forward to the Commissioner within 60 days after the effective date of this section in the case of orders or findings in effect on such effective date, or in any other case, within 60 days after the date an antidumping or countervailing duty order or finding is issued, a list of petitioners and persons with respect to each order and finding and a list of persons that indicate support of the petition by letter or through questionnaire response. In those cases in which a determination of injury was not required or the Commission's records do not permit an identification of those in support of a petition, the Commission shall consult with the administering authority to determine the identity of the petitioner and those domestic parties who have entered appearances during administrative reviews conducted by the administering authority under section 751.

''(2) PUBLICATION OF LIST; CERTIFICATION.—The Commissioner shall publish in the Federal Register at least 30 days before the distribution of a continued dumping and subsidy offset, a notice of intention to distribute the offset and the list of affected domestic producers potentially eligible for the distribution based on the list obtained from the Commission under paragraph (1). The Commissioner shall request a certification from each potentially eligible affected domestic producer—

''(A) that the producer desires to receive a distribution;

''(B) that the producer is eligible to receive the distribution as an affected domestic producer; and

''(C) the qualifying expenditures incurred by the producer since the issuance of the order or finding for which distribution under this section has not previously been made.

''(3) DISTRIBUTION OF FUNDS.—The Commissioner shall distribute all funds (including all interest earned on the funds) from assessed duties received in the preceding fiscal year to affected domestic producers based on the certifications described in paragraph (2). The distributions shall be made on a pro rata basis based on new and remaining qualifying expenditures.

''(e) SPECIAL ACCOUNTS.—

''(1) ESTABLISHMENTS.—Within 14 days after the effective date of this section, with respect to antidumping duty orders and findings and countervailing duty orders in effect on the effective date of this section, and within 14 days after the date an antidumping duty order or finding or countervailing duty order issued after the effective date takes effect, the Commissioner shall establish in the Treasury of the United States a special account with respect to each such order or finding.

''(2) DEPOSITS INTO ACCOUNTS.—The Commissioner shall deposit into the special accounts, all antidumping or countervailing duties (including interest earned on such duties) that are assessed after the effective date of this section under the antidumping order or finding or the countervailing duty order with respect to which the account was established.

''(3) TIME AND MANNER OF DISTRIBUTIONS.—Consistent with the requirements of subsections (c) and (d), the Commissioner shall by regulation prescribe the time and manner in which distribution of the funds in a special account shall be made.

''(4) TERMINATION.—A special account shall terminate after—

''(A) the order or finding with respect to which the account was established has terminated;

''(B) all entries relating to the order or finding are liquidated and duties assessed collected;

''(C) the Commissioner has provided notice and a final opportunity to obtain distribution pursuant to subsection (c); and

''(D) 90 days has elapsed from the date of the notice described in subparagraph (C).

Amounts not claimed within 90 days of the date of the notice described in subparagraph (C), shall be deposited into the general fund of the Treasury.''.

(b) CONFORMING AMENDMENT.—The table of contents for title VII of the Tariff Act of 1930 is amended by inserting the following new item after the item relating to section 753:

''Sec. 754. Continued dumping and subsidy offset.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to all antidumping and countervailing duty assessments made on or after October 1, 1996.

By Mr. KOHL:

S. 62. A bill to amend the Internal Revenue Code of 1986 to provide for the rollover of gain from the sale of farm assets into an individual retirement account; to the Committee on Finance.

THE FAMILY FARM RETIREMENT EQUITY ACT OF 1999

By Mr. KOHL:

S. 63. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes; to the Committee on Finance.

THE CHILD CARE INFRASTRUCTURE ACT

Mr. KOHL. Mr. President, I rise today to introduce the Family Farm Retirement Equity Act, a bill to help improve the retirement security of our nation's farmers.

As we begin the 106th Congress, we can anticipate legislative action to strengthen retirement security and to boost individual savings on behalf of all Americans. With good reason, these issues have risen to the top of the nation's agenda. Americans are living longer and changing jobs more often. Medical costs are rising and demographic trends are undermining the long-term viability of our Social Security System. Comprehensive planning for the many years Americans are often able to enjoy in retirement is now more important than ever.

We took some steps to address retirement security in the 105th Congress, but the job is far from accomplished. We must be vigilant in acting to reform Social Security on behalf of all Americans and in addressing the unique retirement needs of individual groups of Americans. The legislation I introduce today attempts to act on behalf of one such group, a group at the heart of our American traditions, the family farmer.

As many of my colleagues know, farming is a highly capital-intensive business. To the extent that the average farmer reaps any profits from his or her farming operation, much of that income is directly reinvested into the farm. Rarely are there opportunities for farmers to put money aside in individual retirement accounts. In addition, as self-employed business people, farmers do not have access to the pension or retirement funds that many Americans enjoy. When the time comes, farmers tend to rely on the sale of their accumulated capital assets, such as real estate, livestock, and machinery, in order to provide the income to sustain them during retirement. However, all too often, farmers are finding that the lump-sum payments of capital gains taxes levied on those assets leave little for retirement.

To alleviate this predicament, my legislation would provide retiring farmers the opportunity to rollover the proceeds from the sale of their farms into a tax-deferred retirement account. Instead of paying a large lump-sum capital gains tax at the point of sale, the income from the sale of a farm would be taxed only as it is withdrawn

from the retirement account. Such a change in method of taxation would help prevent the financial distress that many farmers now face upon retirement.

Second, my legislation would address the diminishing interest of our younger rural citizens in continuing in farming. Because this legislation will facilitate the transition of our older farmers into a successful retirement, the Family Farm Retirement Equity Act will also pave the way for a more graceful transition of our younger farmers toward farm ownership. While low prices and low profits in farming will continue to take their toll on our younger farmers, I believe that my proposal will be one tool we can use to make farming more viable for the next generation.

In past Congresses, this proposal has enjoyed the support of farmers and farm organizations throughout the country and the endorsement of the American Farm Bureau Federation, the American Sheep Industry Association, the American Sugar Beet Association, the National Association of Wheat Growers, the National Cattleman's Beef Association, the National Corn Growers Association, National Pork Producers Council, and the Southwestern Peanut Growers Association. In addition, a modified version of this legislation was included in the Targeted Investment Incentive and Economic Growth Act of 1997, as introduced by Minority Leader DASCHLE and other Senators. I look forward to working with these groups and my colleagues again this Congress to act on this important legislation as swiftly as possible.

In addition, I am introducing the Child Care Infrastructure Act, a bill to provide a tax credit for businesses that create child care opportunities for their employees. While I will have much more to say about this important legislation at a later date, I did want to put it in the hopper today. Providing quality child care is and should be at the center of our agenda for the 106th Congress. My proposal is a low-cost approach to address this issue by involving the private sector and has received praise from businesses, parents, and day care workers alike.

I ask unanimous consent that the full text of these bills be printed in the RECORD.

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

S. 62

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

SECTION 1. SHORT TITLE; REFERENCE TO INTERNAL REVENUE CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Family Farm Retirement Equity Act of 1999''.

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

SEC. 2. ROLLOVER OF GAIN FROM SALE OF FARM ASSETS TO INDIVIDUAL RETIREMENT PLANS.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 (relating to common nontaxable exchanges) is amended by inserting after section 1034 the following new section:

''SEC. 1034A. ROLLOVER OF GAIN ON SALE OF FARM ASSETS INTO ASSET ROLLOVER ACCOUNT.

''(a) NONRECOGNITION OF GAIN.—Subject to the limits of subsection (c), if for any taxable year a taxpayer has qualified net farm gain from the sale of qualified farm assets, then, at the election of the taxpayer, such gain shall be recognized only to the extent it exceeds the contributions to 1 or more asset rollover accounts of the taxpayer for the taxable year in which such sale occurs.

''(b) ASSET ROLLOVER ACCOUNT.—

''(1) GENERAL RULE.—Except as provided in this section, an asset rollover account shall be treated for purposes of this title in the same manner as an individual retirement plan.

''(2) ASSET ROLLOVER ACCOUNT.—For purposes of this title, the term 'asset rollover account' means an individual retirement plan which is designated at the time of the establishment of the plan as an asset rollover account. Such designation shall be made in such manner as the Secretary may prescribe.

''(c) CONTRIBUTION RULES.—

''(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to an asset rollover account.

''(2) AGGREGATE CONTRIBUTION LIMITATION.—Except in the case of rollover contributions, the aggregate amount for all taxable years which may be contributed to all asset rollover accounts established on behalf of an individual shall not exceed—

''(A) $500,000 ($250,000 in the case of a separate return by a married individual), reduced by

''(B) the amount by which the aggregate value of the assets held by the individual (and spouse) in individual retirement plans (other than asset rollover accounts) exceeds $100,000.

The determination under subparagraph (B) shall be made as of the close of the taxable year for which the determination is being made.

''(3) ANNUAL CONTRIBUTION LIMITATIONS.—

''(A) GENERAL RULE.—The aggregate contribution which may be made in any taxable year to all asset rollover accounts shall not exceed the lesser of—

''(i) the qualified net farm gain for the taxable year, or

''(ii) an amount determined by multiplying the number of years the taxpayer is a qualified farmer by $10,000.

''(B) SPOUSE.—In the case of a married couple filing a joint return under section 6013 for the taxable year, subparagraph (A) shall be applied by substituting '$20,000' for '$10,000' for each year the taxpayer's spouse is a qualified farmer.

''(4) TIME WHEN CONTRIBUTION DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an asset rollover account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

''(d) QUALIFIED NET FARM GAIN; ETC.—For purposes of this section—

''(1) QUALIFIED NET FARM GAIN.—The term 'qualified net farm gain' means the lesser of—

''(A) the net capital gain of the taxpayer for the taxable year, or

''(B) the net capital gain for the taxable year determined by only taking into account gain (or loss) in connection with dispositions of qualified farm assets.

''(2) QUALIFIED FARM ASSET.—The term 'qualified farm asset' means an asset used by a qualified farmer in the active conduct of the trade or business of farming (as defined in section 2032A(e)).

''(3) QUALIFIED FARMER.—

''(A) IN GENERAL.—The term 'qualified farmer' means a taxpayer who—

''(i) during the 5-year period ending on the date of the disposition of a qualified farm asset materially participated in the trade or business of farming, and

''(ii) owned (or who with the taxpayer's spouse owned) 50 percent or more of such trade or business during such 5-year period.

''(B) MATERIAL PARTICIPATION.—For purposes of this paragraph, a taxpayer shall be treated as materially participating in a trade or business if the taxpayer meets the requirements of section 2032A(e)(6).

''(4) ROLLOVER CONTRIBUTIONS.—Rollover contributions to an asset rollover account may be made only from other asset rollover accounts.

''(e) DISTRIBUTION RULES.—For purposes of this title, the rules of paragraphs (1) and (2) of section 408(d) shall apply to any distribution from an asset rollover account.

''(f) INDIVIDUAL REQUIRED TO REPORT QUALIFIED CONTRIBUTIONS.—

''(1) IN GENERAL.—Any individual who—

''(A) makes a contribution to any asset rollover account for any taxable year, or

''(B) receives any amount from any asset rollover account for any taxable year,

shall include on the return of tax imposed by chapter 1 for such taxable year and any succeeding taxable year (or on such other form as the Secretary may prescribe) information described in paragraph (2).

''(2) INFORMATION REQUIRED TO BE SUPPLIED.—The information described in this paragraph is information required by the Secretary which is similar to the information described in section 408(o)(4)(B).

''(3) PENALTIES.—For penalties relating to reports under this paragraph, see section 6693(b).''.

(b) CONTRIBUTIONS NOT DEDUCTIBLE.—Section 219(d) (relating to other limitations and restrictions) is amended by adding at the end the following new paragraph:

''(5) CONTRIBUTIONS TO ASSET ROLLOVER ACCOUNTS.—No deduction shall be allowed under this section with respect to a contribution under section 1034A.''.

(c) EXCESS CONTRIBUTIONS.—

(1) IN GENERAL.—Section 4973 (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, and certain individual retirement annuities) is amended by adding at the end the following new subsection:

''(e) ASSET ROLLOVER ACCOUNTS.—For purposes of this section, in the case of an asset rollover account referred to in subsection (a)(1), the term 'excess contribution' means the excess (if any) of the amount contributed for the taxable year to such account over the amount which may be contributed under section 1034A.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 4973(a)(1) is amended by striking ''or'' and inserting ''an asset rollover account (within the meaning of section 1034A), or''.

(B) The heading for section 4973 is amended by inserting ''**ASSET ROLLOVER ACCOUNTS**,'' after ''**CONTRACTS**''.

(C) The table of sections for chapter 43 is amended by inserting ''asset rollover accounts,'' after ''contracts'' in the item relating to section 4973.

(d) TECHNICAL AMENDMENTS.—

(1) Section 408(a)(1) (defining individual retirement account) is amended by inserting ''or a qualified contribution under section 1034A,'' before ''no contribution''.

(2) Section 408(d)(5)(A) is amended by inserting ''or qualified contributions under section 1034A'' after ''rollover contributions''.

(3)(A) Section 6693(b)(1)(A) is amended by inserting ''or 1034A(f)(1)'' after ''408(o)(4)''.

(B) Section 6693(b)(2) is amended by inserting ''or 1034A(f)(1)'' after ''408(o)(4)''.

(4) The table of sections for part III of subchapter O of chapter 1 is amended by inserting after the item relating to section 1034 the following new item:

''Sec. 1034A. Rollover of gain on sale of farm assets into asset rollover account.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

S. 63

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 ''Child Care Infrastructure Act of 1999''.

SEC. 2. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

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

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) IN GENERAL.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

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

''(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(A) to acquire, construct, rehabilitate, or expand property—

''(i) which is to be used as part of a qualified child care facility of the taxpayer,

''(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(iii) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training,

''(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, or

''(D) under a contract to provide child care resource and referral services to employees of the taxpayer.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	The applicable recapture percentage is:
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''plus'' at the end of paragraph (11),

(B) by striking the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following:

''(13) the employer-provided child care credit determined under section 45D.''

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following:

''Sec. 45D. Employer-provided child care credit.''

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

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 66. A bill to establish the Kate Mullany National Historic Site in the State of New York, and for other purposes; to the Committee on Energy and Natural Resources.

THE KATE MULLANY NATIONAL HISTORIC SITE DESIGNATION ACT OF 1999

Mr. MOYNIHAN. Mr. President, it is with great pride that I rise today with my distinguished colleague Senator SCHUMER to introduce the ''Kate Mullany National Historic Site Designation Act,'' a bill to designate the Troy, New York, home of pioneer labor organizer Kate Mullany as a National Historic Site. A similar measure introduced in the House of Representatives last year by Congressman MICHAEL R. MCNULTY engendered a great deal of support and was cosponsored by over 100 members.

Like many Irish immigrants settling in Troy, Kate Mullany found her opportunities limited to the most difficult and low-paying of jobs, the collar laundry industry. Troy was then known as ''The Collar City''—the birthplace of the detachable shirt collar. At the age of 19, Kate stood up against the often dangerous conditions and meager pay that characterized the industry and lead a movement of 200 female laundresses demanding just compensation and safe working conditions. These protests marked the beginning of the Collar Laundry Union, which some have called ''the only bona fide female labor union in the country.''

Kate Mullany's courage and organizing skills did not go unnoticed. She later traveled down the Hudson River to lead women workers in the sweatshops of New York City and was ultimately appointed Assistant Secretary of the then National Labor Union, becoming the first women ever appointed to a national labor office.

On April 1, 1998, Kate Mullany's home was designated as a National Historic Landmark by Secretary of the Interior Bruce Babbitt and on July 15 First Lady Hillary Rodham Clinton presented citizens of Troy with the National Historic Landmark plaque in a celebration. By conferring National Historic Site status on this important landmark, we can ensure that Kate Mullany's contributions to the labor movement and the cause of women's equality in the workplace are not soon forgotten.

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

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

S. 66

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 ''Kate Mullany National Historic Site Designation Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Kate Mullany House in Troy, New York, is listed on the National Register of Historic Places and has been designated as a National Historic Landmark;

(2) the National Historic Landmark Theme Study on American Labor History concluded that the Kate Mullany House appears to meet the criteria of national significance, suitability, and feasibility for inclusion in the National Park System;

(3) the city of Troy, New York—

(A) played an important role in the development of the collar and cuff industry and the iron industry in the 19th century and in the development of early men's and women's worker and cooperative organizations; and

(B) was the home of the first women's labor union, led by Irish immigrant Kate Mullany;

(4) the city of Troy, New York, has entered into a cooperative arrangement with 6 neighboring cities, towns, and villages to create the Hudson-Mohawk Urban Cultural Park Commission to manage the valuable historic resources in the area, and the area within those municipalities has been designated by the State of New York as a heritage area to represent industrial development and labor themes in the development of the State;

(5) the area, known as the ''Hudson-Mohawk Urban Cultural Park'' or ''RiverSpark'', has been a pioneer in the development of partnership parks in which intergovernmental and public and private partnerships bring about the conservation of the area's heritage and the attainment of goals for preservation, education, recreation, and economic development; and

(6) establishment of the Kate Mullany National Historic Site and cooperative efforts between the National Park Service and the Hudson-Mohawk Urban Cultural Park Commission will—

(A) provide opportunities for the illustration and interpretation of important themes of the heritage of the United States; and

(B) provide unique opportunities for education, public use, and enjoyment.

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

(1) to preserve and interpret the nationally significant home of Kate Mullany for the benefit, inspiration, and education of the people of the United States; and

(2) to interpret the connection between immigration and the industrialization of the United States, including the history of Irish immigration, women's history, and worker history.

SEC. 3. DEFINITIONS.

In this Act:

(1) HISTORIC SITE.—The term ''historic site'' means the Kate Mullany National Historic Site established by section 4.

(2) PLAN.—The term ''plan'' means the general management plan developed under section 6(d).

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

SEC. 4. ESTABLISHMENT OF KATE MULLANY NATIONAL HISTORIC SITE.

(a) ESTABLISHMENT.—There is established as a unit of the National Park System the Kate Mullany National Historic Site in the State of New York.

(b) DESCRIPTION.—The historic site shall consist of the home of Kate Mullany, comprising approximately .05739 acre, located at 350 Eighth Street in Troy, New York, as generally depicted on the map entitled _____ and dated _____.

SEC. 5. ACQUISITION OF PROPERTY.

(a) REAL PROPERTY.—The Secretary may acquire land and interests in land within the boundaries of the historic site and ancillary real property for parking or interpretation, as necessary and appropriate for management of the historic site.

(b) PERSONAL PROPERTY.—The Secretary may acquire personal property associated with, and appropriate for, the interpretation of the historic site.

(c) MEANS.—An acquisition of real property or personal property may be made by donation, purchase from a willing seller with donated or appropriated funds, or exchange.

SEC. 6. ADMINISTRATION OF HISTORIC SITE.

(a) IN GENERAL.—The Secretary shall administer the historic site in accordance with this Act and the law generally applicable to units of the National Park System, including the Act entitled ''An Act to establish a National Park Service, and for other purposes'', approved August 25, 1916 (16 U.S.C. 1 et seq.), and the Act entitled ''An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes'', approved August 21, 1935 (16 U.S.C. 461 et seq.).

(b) COOPERATIVE AGREEMENTS.—In carrying out this Act, the Secretary may consult with and enter into cooperative agreements with the State of New York, the Hudson-Mohawk Urban Cultural Park Commission, and other public and private entities to facilitate public understanding and enjoyment of the life and work of Kate Mullany through the development, presentation, and funding of exhibits and other appropriate activities related to the preservation, interpretation, and use of the historic site and related historic resources.

(c) EXHIBITS.—The Secretary may display, and accept for the purposes of display, items associated with Kate Mullany, as may be necessary for the interpretation of the historic site.

(d) GENERAL MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 2 full fiscal years after the date of enactment of this Act, the Secretary shall—

(A) develop a general management plan for the historic site; and

(B) submit the plan to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

(2) CONTENTS.—The plan shall include recommendations for regional wayside exhibits to be carried out through cooperative agreements with the State of New York and other public and private entities.

(3) REQUIREMENTS.—The plan shall be prepared in accordance with section 12(b) of the

Act entitled ''An Act to improve the administration of the national park system by the Secretary of the Interior, and to clarify the authorities applicable to the system, and for other purposes'', approved August 18, 1970 (16 U.S.C 1a et seq.).

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

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

By Mr. MOYNIHAN (for himself, Mr. KERRY, Mr. DURBIN, Mr. ROBB, Mr. SCHUMER, and Mr. KENNEDY):

S. 67. A bill to designate the headquarters building of the Department of Housing and Urban Development in Washington, District of Columbia, as the ''Robert C. Weaver Federal Building''; to the Committee on Environment and Public Works.

THE ROBERT C. WEAVER FEDERAL BUILDING DESIGNATION ACT OF 1999

Mr. MOYNIHAN. Mr. President, I rise with my colleagues, Senators SCHUMER, KENNEDY, KERRY, DURBIN, and ROBB, to introduce legislation to name the Department of Housing and Urban Development (HUD) headquarters here in Washington after Dr. Robert C. Weaver, adviser to three Presidents, director of the NAACP, and the first African-American Cabinet Secretary. With Senator KERRY, Senator MOSELEY-BRAUN, and Senator KENNEDY I introduced an identical bill last year. It was passed by the Senate by unanimous consent on July 31, 1998 but languished in the House.

Bob Weaver was my friend, dating back more than 40 years to our service together in the administration of New York Governor Averell Harriman. In July of 1997, he died at his home in New York City after spending his entire life broadening opportunities for minorities in America. I think it is a fitting tribute to name the HUD building after this great man.

Dr. Weaver began his career in government service as part of President Franklin D. Roosevelt's ''Black Cabinet,'' an informal advisory group promoting educational and job opportunities for blacks. The Washington Post called this work his greatest legacy, the dismantling of a deeply entrenched system of racial segregation in America. Indeed it was.

Dr. Weaver was appointed Deputy Commissioner of Housing for New York State in 1955, and later became State Rent Administrator with Cabinet rank. It was during these years, working for Governor Harriman, that I first met Bob; I was Assistant to the Secretary to the Governor and later, Acting Secretary.

Our friendship and collaboration continued under the Kennedy and Johnson administrations. In 1960, he became the president of the NAACP, and shortly thereafter would become a key adviser to President Kennedy on civil rights. In 1961, Kennedy appointed Dr. Weaver to head the Housing and Home Finance Agency, the precursor to the Department of Housing and Urban Development. In 1966, when President Johnson elevated the agency to Cabinet rank, he chose Dr. Weaver to head the department. Bob Weaver was, in Johnson's phrase, ''the man for the job.'' He thus became its first Secretary, and the first African-American to head a Cabinet agency. Later, he and I served together on the Pennsylvania Avenue Commission.

Following his government service, Dr. Weaver was, among various other academic pursuits, a professor at Hunter College, a member of the School of Urban and Public Affairs at Carnegie-Mellon, a visiting professor at Columbia Teacher's College and New York University's School of Education, and the president of Baruch College in Manhattan. When I became director of the Joint Center for Urban Studies at MIT and Harvard, he generously agreed to be a member of the Board of Directors.

Dr. Weaver earned his undergraduate, master's, and doctoral degrees in economics from Harvard; he wrote four books on urban affairs; and served as one of the original directors of the Municipal Assistance Corporation, which designed the plan to rescue New York City during its tumultuous financial crisis in the 1970s.

When Dr. Weaver died, America—and Washington, in particular (for he was a native Washingtonian)—lost one of its innovators, one of its creators, one of its true leaders. Dr. Robert C. Weaver led not only with his words but with his deeds and I was privileged to know him as a friend. He will be missed but properly memorialized, I think, if we can pass this legislation.

Mr. President, I ask unanimous consent that my bill, a July 21, 1997 editorial in the Washington Post, and a July 19, 1997 obituary from the New York Times be printed in the RECORD.

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

S. 67

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

SECTION 1. DESIGNATION OF ROBERT C. WEAVER FEDERAL BUILDING.

In honor of the first Secretary of Housing and Urban Development, the headquarters building of the Department of Housing and Urban Development located at 451 Seventh Street, SW., in Washington, District of Columbia, shall be known and designated as the ''Robert C. Weaver Federal Building''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in section 1 shall be deemed to be a reference to the ''Robert C. Weaver Federal Building''.

[From the New York Times, July 19, 1997]

ROBERT C. WEAVER, 89, FIRST BLACK CABINET MEMBER, DIES

(By James Barron)

Dr. Robert C. Weaver, the first Secretary of Housing and Urban Development and the first black person appointed to the Cabinet, died on Thursday at his home in Manhattan. He was 89.

Dr. Weaver was also one of the original directors of the Municipal Assistance Corporation, which was formed to rescue New York City from financial crisis in the 1970's.

''He was a catalyst with the Kennedys and then with Johnson, forging new initiatives in housing and education,'' said Walter E. Washington, the first elected Mayor of the nation's capital.

A portly, pedagogical man who wrote four books on urban affairs, Dr. Weaver had made a name for himself in the 1930's and 40's as an expert behind-the-scenes strategist in the civil rights movement. ''Fight hard and legally,'' he said, ''and don't blow your top.''

As a part of the ''Black Cabinet'' in the administration of President Franklin D. Roosevelt, Dr. Weaver was one of a group of blacks who specialized in housing, education and employment. After being hired as race relations advisers in various Federal agencies, they pressured and persuaded the White House to provide more jobs, better educational opportunities and equal rights.

Dr. Weaver began in 1933 as an aide to Interior Harold L. Ickes. He later served as a special assistant in the housing division of the Works Progress Administration, the National Defense Advisory Commission, the War Production Board and the War Manpower Commission.

Shortly before the 1940 election, he devised a strategy that defused anger among blacks about Stephen T. Early, President Roosevelt's press secretary. Arriving at Pennsylvania Station in New York, Early lost his temper when a line of police officers blocked his way. Early knocked one of the officers, who happened to be black, to the ground. As word of the incident spread, a White House adviser put through a telephone call to Dr. Weaver in Washington.

The aide, worried that the incident would cost Roosevelt the black vote, told Dr. Weaver to find the other black advisers and prepare a speech that would appeal to blacks for the President to deliver the speech.

Dr. Weaver said he doubted that he could find anyone in the middle of the night, even though most of the others in the ''Black Cabinet'' had been playing poker in his basement when the phone rang. ''And anyway,'' he said, ''I don't think a mere speech will do it. What we need right now is something so dramatic that it will make the Negro voters forget all about Steve Early and the Negro cop too.''

Within 48 hours, Benjamin O. Davis Sr. was the first black general in the Army; William H. Hastie was the first black civilian aide to the Secretary of War, and Campbell C. Johnson was the first high-ranking black aide to the head of the Selective Service.

Robert Clifton Weaver was born on Dec. 29, 1907, in Washington. His father was a postal worker and his mother—who he said influenced his intellectual development—was the daughter of the first black person to graduate from Harvard with a degree in dentistry. When Dr. Weaver joined the Kennedy Administration, whose Harvard connections extended to the occupant of the Oval Office, he held more Harvard degrees—three, including a doctorate in economics—than anyone else in the administration's upper ranks.

In 1960, after serving as the New York State Rent Commissioner, Dr. Weaver became the national chairman of the National Association for the Advancement of Colored People, and President Kennedy sought Dr. Weaver's advice on civil rights. The following year, the President appointed him administrator of the Housing and Home Finance Agency, a loose combination of agencies that included the bureaucratic components of what would eventually become H.U.D., including the Federal Housing Administration to spur construction, the Urban Renewal Administration to oversee slum clearance and the Federal National Mortgage Association to line up money for new housing.

President Kennedy tried to have the agency raised to Cabinet rank, but Congress balked. Southerners led an attack against the appointment of a black to the Cabinet, and there were charges that Dr. Weaver was an extremist. Kennedy abandoned the idea of creating an urban affairs department.

Five years later, when President Johnson revived the idea and pushed it through Congress, Senators who had voted against Dr. Weaver the first time around vote for him.

Past Federal housing programs had largely dealt with bricks-and-mortar policies. Dr. Weaver said Washington needed to take a more philosophical approach. ''Creative federalism stresses local initiative, local solutions to local problems,'' he said.

But, he added, ''where the obvious needs for action to meet an urban problem are not being fulfilled, the Federal Government has a responsibility at least to generate a thorough awareness of the problem.''

Dr. Weaver, who said that ''you cannot have physical renewal without human renewal,'' pushed for better-looking public housing by offering awards for design. He also increased the amount of money for small businesses displaced by urban renewal and revived the long-dormant idea of Federal rent subsides for the elderly.

Later in his life, he was a professor of urban affairs at Hunter College, was a member of the Visiting Committee at the School of Urban and Public Affairs at Carnegie-Mellon University and held visiting professorships at Columbia Teachers' College and the New York University School of Education. He also served as a consultant to the Ford Foundation and was the president of Baruch College in Manhattan in 1969.

His wife, Ella, died in 1991. Their son, Robert Jr., died in 1962.

[From the Washington Post, July 20, 1997]

ROBERT C. WEAVER DIES; FIRST BLACK CABINET MEMBER

(By Martin Weil)

Robert C. Weaver, 89, who as the nation's first secretary of Housing and Urban Development was the first black person to head a Cabinet agency, as well as one of the architects of the Great Society, died July 17 at his home in Manhattan.

He died in his sleep, according to a family friend. The cause of death was not immediately known.

Dr. Weaver, who was born and raised in Washington, was regarded as an intellectual, both pragmatic and visionary, who worked to improve the lives of blacks and other Americans both by expanding their opportunities and by bettering their communities.

''He put the bricks and mortar on President Johnson's blueprint for a Great Society,'' HUD Secretary Andrew M. Cuomo said in a statement.

''Robert Weaver got real urban legislation on the books and nurtured our country's first commitment to improve the quality of life in our nation's cities,'' Cuomo said.

On Jan. 13, 1966, when President Lyndon B. Johnson appointed the Harvard PhD and longtime federal and state housing official to be the first HUD secretary, many recognized that it was a moment both historic and symbolic.

Johnson said he had considered more than 300 candidates and had concluded that Dr. Weaver was ''the man for the job.''

In an interview after Dr. Weaver's death, Walter E. Washington, the District's first mayor elected under home rule, who had worked with Dr. Weaver, called him ''a giant'' and ''a man of great vision . . . integrity, passion and commitment.'' Washington said, ''There was never a job that was too large or one that was too small if he saw in it the possibility of helping his fellow man.''

Dr. Weaver was born Dec. 29, 1907, into the segregated world that was then Washington. He once recalled 45-minute streetcar rides that took him past schools for whites before he reached his for blacks.

He was descended from a former slave who had bought his freedom in 1830. His father was a postal worker, and his mother was the daughter of Robert Tanner Freeman, who was a Harvard graduate and the first black person in the United States to receive a doctorate in dentistry.

A multitalented man, Dr. Weaver worked as an electrician while attending Dunbar High School in Washington. After graduation, he went to Harvard, where he majored in economics, won the Boylston speaking prize and received his bachelor's degree in 1929. He received a master's degree two years later and a doctorate in economics in 1934.

In 1933, after the watershed election of Franklin D. Roosevelt, Dr. Weaver was one of the bright young intellectuals who came to the capital to create and run the New Deal. He spent 10 years in housing and labor recruitment and training, detailed for part of that time as an adviser to Interior Secretary Harold Ickes.

He also worked in the National Defense Advisory Commission and, during World War II, was director of the Negro Manpower Service in the War Manpower Commission. During those years, he also was prominent in what was known as Roosevelt's informal Black Cabinet, working behind the scenes to improve conditions and opportunities for blacks.

In the closing years of the war, he was executive secretary of the Chicago Mayor's Committee on Race Relations. During the 1940s and early '50s, he taught at universities, worked for philanthropic foundations and held a series of government housing posts in New York.

At the start of his administration, President John F. Kennedy named him chief of what was then the principal federal agency responsible for housing, the Housing and Home Finance Agency. He was credited with drawing together and unifying the efforts of what was regarded as a loose confederation of offices, bureaus and departments.

It was not until the Johnson administration that efforts to raise the department to Cabinet level bore fruit.

But throughout his tenure as the chief federal housing official, it was Dr. Weaver who ''broadened the prespective'' of government policy, said Yvonne Scruggs-Leftwich, executive director of Black Leadership Forum Inc. and a former New York state housing commissioner. She said Dr. Weaver moved policy from a narrow focus on the living unit itself to include community development, a more expansive view that encompassed both ''housing and the environment around the housing.''

As Dr. Weaver had expressed it, ''You cannot have physical renewal without human renewal.''

At the same time, he was known for his work for racial justice and equality. By the 1960s, he had been active in the struggle for decades. At the time of his appointment by Kennedy, he was chairman of the NAACP.

Once, in the early days of the struggle, he advised that the best way to achieve equality was ''to fight hard—and legally—and don't blow your top.''

After leaving his Cabinet post at the end of the Johnson administration, Dr. Weaver returned to New York, where he was a teacher and a consultant. He headed Baruch College in 1969 and was one of the directors of the Municipal Assistance Corp., which was set up to save the city from fiscal collapse in the 1970s.

He wrote, or contributed to, several books and held at least 30 honorary degrees.

His wife, Ella died in 1991, and their son, Robert Jr., died in 1962.

By Mr. MOYNIHAN:

S. 68. A bill for the relief of Dr. Yuri F. Orlov of Ithaca, New York; to the Committee on Governmental Affairs.

PRIVATE RELIEF BILL

Mr. MOYNIHAN. Mr. President, today I rise to introduce a bill to recognize the immeasurable debt which we owe to a leading Soviet dissident. Dr. Yuri F. Orlov, a founding member of the Soviet chapter of Amnesty International and founder of the Moscow Helsinki Watch Group (the first nationwide organization in Soviet history to question government actions), who now lives in Ithaca, New York, is threatened by poverty. Yuri Orlov could not be stopped by the sinister forces of the Soviet Union and, no doubt, he will not be stopped by poverty. But I rise today in hopes that it will not come to that.

Dr. Orlov's career as a dissident began while he was working at the famous Institute for Theoretical and Experimental Physics in Moscow. At the Institute in 1956 he made a pro-democracy speech which cost him his position and forced him to leave Moscow. He was able to return in 1972, whereupon he began his most outspoken criticism of the Soviet regime.

On September 13, 1973, in response to a government orchestrated-public smear campaign against Andrei Sakharov, Orlov sent ''Thirteen Questions to Brezhnev,'' a letter which advocated freedom of the press and reform of the Soviet economy. One month later, he became a founding member of the Soviet chapter of Amnesty International. His criticism of the Soviet Union left him unemployed and under constant KGB surveillance, but he would not be silenced.

In May, 1976 Dr. Orlov founded the Moscow Helsinki Watch Group to pressure the Soviet Union to honor the human rights obligations it had accepted under the Helsinki Accords signed in 1975. His leadership of the Helsinki

Watch Group led to his arrest and, eventually, to a show trial in 1978. He was condemned to seven years in a labor camp and five years in exile.

After having served his prison sentence, and while still in exile, Dr. Orlov was able to immigrate to the United States in 1986 in an exchange arranged by the Reagan Administration. A captured Soviet spy was returned in exchange for the release of Dr. Orlov and a writer for U.S. News & World Report who had been arrested in Moscow, Nicholas Daniloff.

Since then, Dr. Orlov has served as a senior scientist at Cornell University in the Newman Laboratory of Nuclear Studies. Now that he is 74 years old, he is turning his thoughts to retirement. Unfortunately, since he has only been in the United States for 12 years, his retirement income from the Cornell pension plus Social Security will be insufficient: only a fraction of what Cornell faculty of comparable distinction now get at retirement.

His scientific colleagues, Nobel physicist Dr. Hans A. Bethe, Kurt Gottfried of Cornell, and Sidney Drell of Stanford, have made concerted efforts to raise support for Dr. Orlov's retirement, but they are in further need.

To this end, I have agreed to assist these notable scientists in their endeavor to secure a more appropriate recompense for this heroic dissident. That is the purpose that brings me here to the Senate floor today, on the first day of the 106th Congress, to introduce a bill on Dr. Orlov's behalf.

To understand Dr. Orlov's contributions to ending the Cold War, I would draw my colleagues attention to his autobiography, Dangerous Thoughts: Memoirs of a Russian Life. It captures the fear extant in Soviet society and the courage of men like Orlov, Sakharov, Sharansky, Solzhenitsyn, and others who defied the Soviet regime. Dr. Orlov, who spent 7 years in a labor camp and two years in Siberian exile, never ceased protesting against oppression. Despite deteriorating health and the harsh conditions of the camp, Dr. Orlov smuggled out messages in support of basic rights and nuclear arms control. His bravery and that of his dissident colleagues played no small role in the dissolution of the Soviet Union. I am sure many would agree that we owe them a tremendous debt. This then is a call to all those who agree with that proposition. Dr. Orlov is now in need; please join our endeavor.

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

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

S. 68

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

SECTION 1. RELIEF OF DR. YURI F. ORLOV OF ITHACA, NEW YORK.

(a) IN GENERAL.—Notwithstanding any other provision of law, Dr. Yuri F. Orlov of Ithaca, New York, shall be deemed an annuitant as defined under section 8331(9) of title 5, United States Code, and shall be eligible to receive an annuity.

(b) COMPUTATION.—For purposes of computing the annuity described under subsection (a), Dr. Yuri F. Orlov shall be deemed to—

(1) have performed 40 years of creditable service as a Federal employee; and

(2) received pay at the maximum rate payable for a position above GS–15 of the General Schedule (as in effect on the date of enactment of this Act) for 3 consecutive years of such creditable service.

(c) CONTRIBUTIONS.—No person shall be required to make any contribution with respect to the annuity described under subsection (a).

(d) ADMINISTRATIVE PROVISIONS.—The Director of the Office of Personnel Management shall—

(1) apply the provisions of chapter 83 of title 5, United States Code (including provisions relating to cost-of-living-adjustments and survivor annuity benefits) to the annuity described under subsection (a) to the greatest extent practicable; and

(2) make the first payment of such annuity no later than 60 days after the date of the enactment of this Act.

By Mr. MOYNIHAN:

S. 69. A bill to make available funds under the Foreign Assistance Act of 1961 to provide scholarships for nationals of any of the independent states of the former Soviet Union to undertake doctoral graduate study in the social sciences; to the Committee on Foreign Relations.

THE NIS EDUCATION ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce the NIS Education Act. For 75 years academic freedom was squelched in the Soviet Union and the tools to build a democratic society were lost to its successor states. Thankfully, that is now passed. The Russians have the right to claim that they freed their own country from the horrors of a decayed Marxist-Leninist dictatorship. The Russian people and their leaders have something about which to be proud.

I rise in that spirit to offer a bill that is simple in both premise and purpose: build democratic leaders of the NIS for the future through education. The NIS Education Act will partially fund graduate education in the social sciences for 500 students from the NIS during the next five years. The benefits of education and exposure to the United States will be long lasting.

We want to give these students from the NIS a chance to see American democracy and learn the tools to improve their own society. Indeed, for many it will be their first chance to visit the world's oldest democracy; to see the promise that democracy offers; and to judge its fruits for themselves. As one of our most famous visitors, Alexis de Tocqueville, wrote:

> Let us look to America, not in order to make a servile copy of the institutions that she has established, but to gain a clearer view of the polity that will be the best for us; let us look there less to find examples than instruction; let us borrow from her the principles, rather than the details, of her laws . . . the principles on which the American constitutions rest, those principles of order, of the balance of powers, of true liberty, of deep and sincere respect for right, are indispensable to all republics. . . .

In 1948 the United States instituted the now famous Marshall Plan which included among its many provisions a fund for technical assistance. Part of this fund included the ''productivity campaign'' which was designed to bring European businessmen and labor representatives here to learn American methods of production. During the Plan's three years, over 6,000 Europeans came to the United States to study U.S. production. Though the funding for this part of the plan was less than one-half of one percent of all the Marshall Plan aid, its impact was far greater. The impact of the NIS Education Act may also be great.

We must note here the current state of Russia's affairs: it is deplorable. Despite this situation, last spring the United States Senate voted to expand the North Atlantic Treaty Organization. Throughout the elements of the Russian political system NATO expansion was viewed as a hostile act they will have to defend against; and they have said if they have to defend their territory, they will do so with nuclear weapons; that is all they have left.

The distrust born from NATO expansion will not fade quickly. Let us hope that the NIS Education Act will provide individuals from Russia and the other NIS the opportunity to see that we Americans do not hope for Russia's demise and isolation. Perhaps we can dispel the betrayal they may feel as a result of NATO enlargement, and give them the tools to further develop their own democracies.

Beyond that, the importance of training the next generation of social scientists in the NIS is immeasurable. It is this generation that will revitalize the universities, teaching the next generation economics, sociology and other disciplines. It is this generation of social scientists who will be prepared to enter their Governments armed with new ideas and new ways of thinking different from the status quo; they will bring their new knowledge and standards, their linkages to the United States back to their own countries, and they will have the best opportunity to influence change there.

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

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

S. 69

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

SECTION 1. SCHOLARSHIPS FOR NATIONALS OF THE INDEPENDENT STATE OF THE FORMER SOVIET UNION.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to subsection (b), the President is authorized to provide scholarships under chapter 11 of part I of the Foreign Assistance Act of 1961 (relating to assistance to the independent states of the former Soviet Union; 22 U.S.C. 2295 et seq.) for 100 nationals of the independent states of the former Soviet Union (as defined in section 3 of the FREEDOM Support Act (22 U.S.C. 5801)) who seek to commence graduate study in a six-year program in any field of social science.

(2) SUPERSEDING EXISTING LAW.—The authority of paragraph (1) shall be exercised without regard to any other provision of law.

(b) REQUIREMENTS.—

(1) NON-FEDERAL SHARE.—The President shall require that not less than 20 percent of the costs of each student's doctoral study be provided from non-Federal sources.

(2) REQUIREMENT OF HOME COUNTRY SERVICES.—Notwithstanding any other provision of law, any student supported under this section who does not perform after graduation at least one year of service in the student's home country for each year of study supported under this section shall not be eligible to be issued a visa to be admitted to the United States.

(c) ALLOCATION OF FUNDS.—Of the amounts authorized to be appropriated to carry out chapter 11 of part I of the Foreign Assistance Act of 1961 (relating to assistance to the independent states of the former Soviet Union; 22 U.S.C. 2295 et seq.) for fiscal years 2000 through 2009, the following amounts are authorized to be available to carry out subsection (a):

(1) For fiscal year 2000, $3,500,000 for not to exceed 100 scholarships.

(2) For fiscal year 2001, $7,500,000 for not to exceed 200 scholarships.

(3) For fiscal year 2002, $10,500,000 for not to exceed 300 scholarships.

(4) For fiscal year 2003, $14,000,000 for not to exceed 400 scholarships.

(5) For fiscal year 2004, $17,500,000 for not to exceed 500 scholarships.

(6) For fiscal year 2005, $17,500,000 for not to exceed 500 scholarships.

(7) For fiscal year 2006, $14,000,000 for not to exceed 400 scholarships.

(8) For fiscal year 2007, $10,500,000 for not to exceed 300 scholarships.

(9) For fiscal year 2008, $7,500,000 for not to exceed 200 scholarships.

(10) For fiscal year 2009, $3,500,000 for not to exceed 100 scholarships.

By Ms. SNOWE:

S. 70. A bill to require the establishment of a Federal task force on Regional Threats to International Security; to the Committee on Foreign Relations.

THE PREVENTION AND DETERRENCE OF INTERNATIONAL CONFLICT (PREDICT) ACT OF 1999

Ms. SNOWE. Mr. President, I rise to introduce legislation to give the administration an incentive for developing a more coherent foreign policy by pooling the defense, diplomatic, intelligence, and economic resources of the federal government.

I have labeled this bill the Prevention and Deterrence of International Conflict Act—''PREDICT''—because the Clinton Administration failed or willfully suspended its ability to anticipate a string of foreign calamities last year.

The 1998 calendar of global surprises for the United States revealed the continuing challenge to this administration of analyzing evidence adequately for the President to act against the aggressive military actions of India, Pakistan, North Korea, Yugoslavia, and Iraq.

Although we had satellite images and early warning signs, the second series of nuclear explosions by India in May eluded the detection of the intelligence authorities.

Although we had the campaign pledges of India's Prime Minister to expand the country's nuclear program, no one took them as an omen of action.

Although we had differing agency assessments of whether the export of commercial satellite technologies posed the risk of improving China's military communications capabilities, the president never saw them.

Although Pentagon officials told the Senate Armed Services Committee on August 24, 1998 that the intelligence community could detect in advance any launching of a multiple-stage rocket by North Korea, they professed surprise as a Taepo Dong missile soared over Japan seven days later.

And although we had indicators that the simmering conflict in Kosovo could unravel into a major Balkan security crisis, we did not know who led or supplied the provincial insurgency movement.

Furthermore, before finally approving military action against Iraq last month, the White House had lurched towards two previous strikes only to call off the missiles after Saddam Hussein opened his seven-year old script to repeat the hollow lines that he would cooperate with the U.N. on his own terms in his own time.

These examples highlight a pattern of fragmentation in the decision-making apparatus of the Executive Branch. Information that could tilt the course of a crisis too often remains hidden or undiscovered in the flow of advice to the White House.

Beyond this disjointed process of making policy, the other critical issue tying together these episodes of tension centers on the threat of weapons proliferation fueled by unresolved civil conflicts or the ambitions of regional tyrants.

The uncertain political status of the territory of Kashmir, for example, served as a convenient excuse for Indian officials to justify their nuclear testing last Spring. At the same time, the Pakistanis cited national prestige and the need to stabilize the governing coalition, rather than any threat of attack, in explaining their nuclear response to India's provocation.

In both of these cases, political judgments overshadowed sober considerations of whether the two nations posed immediate military risks to one another.

Yet China's hunger for technology, Mr. President, derives less from an ongoing civil conflict than it does from a military establishment eager to develop the precision capabilities used by the United States during the Persian Gulf War.

These capabilities, in turn, will gradually advance Beijing's quest to displace the United States and Japan as the dominant Asia-Pacific power.

The PREDICT bill, therefore, brings together the broad range of foreign policy experts throughout the government into one Federal Task Force on Regional Threats to International Security. The Federal Task Force would include representatives of the Departments of State, Defense, and Commerce, as well as military and foreign intelligence organizations, to advise the president in three categories:

How the United States can foster diplomatic resolutions of regional disputes that increase the risk of weapons proliferation;

Trade and investment programs to promote the market-based development of countries that pursue or possess weapons of mass destruction;

And the implementation of intelligence analysis procedures to ensure that the president has all of the data necessary before he makes any decision regarding this category of arms.

The President must establish the Task Force no later than 60 days after the effective date of the law, and the panel's authority would expire on October 1, 2001 unless an executive order or an act of Congress renews the operating charter.

PREDICT, therefore, outlines a clear and comprehensive process for foreign policy development without prejudging what steps the President should take. He must create the Task Force. He must consider the information that it presents, and he must determine whether to accept it. After two years, both the administration and Congress can judge the record of the Task Force to decide whether it should continue to function.

What this legislation proposes that does not exist is an integrated advisory body to analyze the military, diplomatic, and economic options available to the president for controlling regional conflicts and the spread of weapons of mass destruction.

Furthermore, the Task Force deliberately includes intelligence representatives so that policy options reflect the most updated information on the intentions of foreign leaders and the capabilities of their armed forces.

A comprehensive perspective remains central to the execution of prudent foreign policies. The administration needs to harness the talent and expertise of the federal government to ensure that

the regional civil, military, and political disputes fostering weapons proliferation do not present a sustained threat to international security. For this compelling reason, I urge Congress to renew America's national security organizations by passing the PREDICT Act.

By Ms. SNOWE:

S. 71. A bill to amend title 38, United States Code, to establish a presumption of service-connection for certain veterans with Hepatitis C, and for other purposes; to the Committee on Veterans' Affairs.

HEPATITIS C VETERANS' LEGISLATION

Ms. SNOWE. Mr. President, I rise today to introduce legislation I introduced late in the 105th Congress to address a serious health concern for veterans—specifically the health threat posed by the Hepatitis C virus.

The legislation I am introducing today would make Hepatitis C a service-connected condition so that veterans suffering from this virus can be treated by the VA. The bill will establish a presumption of service connection for veterans with Hepatitis C, meaning that the Department of Veterans Affairs will assume that this condition was incurred or aggravated in military service, provided that certain conditions are met.

Under this legislation, veterans who received a transfusion of blood during a period of service before December 31, 1992; veterans who were exposed to blood during a period of service; veterans who underwent hemodyalisis during a period of service; veterans diagnosed with unexplained liver disease during a period of service; veterans with an unexplained liver dysfunction value or test; or veterans working in a health care occupation during service, will be eligible for treatment for this condition at VA facilities.

I have reviewed medical research that suggests many veterans were exposed to Hepatitis C in service and are now suffering from liver and other diseases caused by exposure to the virus. I am troubled that many ''Hepatitis C veterans'' are not being treated by the VA because they can't prove the virus was service connected, despite the fact that Hepatitis C was little known and could not be tested for until recently.

Mr. President, we are learning that those who served in Vietnam and other conflicts, tend to have higher than average rates of Hepatitis C. In fact, VA data shows that 20 percent of its inpatient population is infected with the Hepatitis C virus, and some studies have found that 10 percent of otherwise healthy Vietnam Veterans are Hepatitis C positive.

Hepatitis C was not isolated until 1989, and the test for the virus has only been available since 1990. Hepatitis C is a hidden infection with few symptoms. However, most of those infected with the virus will develop serious liver disease 10 to 30 years after contracting it. For many of those infected, Hepatitis C can lead to liver failure, transplants, liver cancer, and death.

And yet, most people who have Hepatitis C don't even know it—and often do not get treatment until it's too late. Only five percent of the estimated four million Americans with Hepatitis C know they have it, yet with new treatments, some estimates indicate that 50 percent may have the virus eradicated.

Vietnam Veterans in particular are just now starting to learn that they have liver disease caused by Hepatitis C. Early detection and treatment may help head off serious liver disease for many of them. However, many veterans with Hepatitis C will not be treated by the VA because they must meet a standard that is virtually impossible to meet in order to establish a service connection for their condition—this in spite of the fact that we now know that many Vietnam-era and other veterans got this disease serving their country.

Many of my colleagues may be interested to know how veterans were exposed to this virus. Many veterans received blood transfusions while in Vietnam. This is one of the most common ways Hepatitis C is transmitted. Medical transmission of the virus through needles and other medical equipment is also possible in combat. Medical care providers in the services were likely at increased risk as well, and may have, in turn, posed a risk to the service members they treated.

Researchers have discovered that Hepatitis C was widespread in Southeast Asia during the Vietnam war, and that some blood sent from the U.S. was also infected with the virus. Researchers and veterans organizations, including the Vietnam Veterans of America, with whom I worked closely to prepare this legislation, believe that many veterans were infected after being injured in combat and getting a transfusion or from working as a medic around combat injuries.

The Hepatitis C infected veteran is essentially in a catch 22 situation: the VA will not introduce any flexibility into their established service connection requirements—and many veterans cannot prove that they contracted Hepatitis C in combat because the science to detect it did not until recently. Without legislative authority to treat these veterans, thousands of veterans infected with Hepatitis C in service will not get the VA health care testing or treatment they need.

Mr. President, I believe the government will actually save money in the long run by testing and treating this infection early on. The alternative is much more costly treatment of end-stage liver disease and the associated complications, or other disorders.s

Some will argue that further epidemiologic data is needed to resolve or prove the issue of service connection. I agree that we have our work cut out for us, and further study is required. However, there is already a substantial body of research on the relationship between Hepatitis C and military service. While further research is being conducted, we should not ask those who have already sacrificed so much for this country to wait—perhaps for years—for the treatment they deserve.

Former Surgeon General C. Everett Koop, well respected both within and outside of the medical profession, has said, ''In some studies of veterans entering the Department of Veterans Affairs health facilities, half of the veterans have tested positive for HCV. Some of these veterans may have left the military with HCV infection, while others may have developed it after their military service. In any event, we need to detect and treat HCV infection if we are to head off very high rates of liver disease and liver transplant in VA facilities over the next decade. I believe this effort should include HCV testing as part of the discharge physical in the military, and entrance screening for veterans entering the VA health system.''

Veterans have already fought their share of battles—these men and women who sacrificed in war so that others could live in peace shouldn't have to fight again for the benefits and respect they have earned.

We still have a long way to go before we know how best to confront this deadly virus. A comprehensive policy to confront such a monumental challenge cannot be written overnight. It will require the long-term commitment of Congress and the Administration to a serious effort to address this health concern.

I hope this legislation will be a constructive step in this effort, and I look forward to working with the Veterans Affairs Committee, the VA–HUD appropriators, Vietnam Veterans of America, and others to meet this emerging challenge.

By Ms. SNOWE:

S. 72. A bill to amend title 38, United States Code, to restore the eligibility of veterans for benefits resulting from injury or disease attributable to the use of tobacco products during a period of military service, and for other purposes; to the Committee on Veterans' Affairs.

VA TOBACCO BENEFITS

Ms. SNOWE. Mr. President, today I am introducing legislation that will restore an important benefit for our nation's veterans—disability compensation benefits for those with tobacco-related illnesses or disabilities.

The President's budget proposal for FY99 restricted disability compensation benefits for tobacco-related illnesses, such as lung cancer. I might ask, once we start restricting service-

related disabilities treated through the VA, where does it end? I am very concerned that the VA will become a target for further erosions of veterans benefits. The VA is already having difficulty making good on its promise to provide essential benefits to veterans. What benefit will be repealed next?

Some may argue that military personnel made the decision to smoke. Nobody forced them. But this ignores that fact that these choices were facilitated, and perhaps even encouraged, by the inclusion of free cigarettes in individual supply kits and discounts on tobacco products. Many military personnel may have smoked for the first time while on active duty.

That is why I have fought to restore veterans disability compensation for tobacco-related illnesses and disability—because I believe that Congress circumvented the process and undermined fairness when it repealed this benefit to fund the ISTEA legislation.

Mr. President, there should have been a full airing of this issue before we voted to rescind the benefit. There was little debate on the Senate floor on this matter. This is not how those brave Americans who sacrificed for freedom should be treated by the government they fought to preserve.

During the Senate's consideration of the FY99 Budget Resolution, I opposed efforts to repeal the benefit and voted for an amendment to sustain it. In addition, I supported an amendment submitted by Senator MCCAIN to the tobacco bill providing $600 million over five years to veterans for smoking-related diseases and health care. Finally, during the Senate's consideration of the FY99 VA–HUD Appropriations Act, I supported an amendment to restore the benefit. Unfortunately, this amendment was rejected 54–40. I continue to believe we should debate the matter fully, we should have a vote, and we should pass legislation that will right this wrong.

We must not ignore the fact that the military has been one of the largest distributors of tobacco products for decades. The military glamorized the use of tobacco and distributed free cigarettes during World War II, the Korean War, and the Vietnam War. We cannot turn a blind eye to this lethal legacy. We must not turn our backs on those who continue to suffer the consequences of their service. That is why I hope that my colleagues will join me in supporting this effort, and restore this important benefit.

By Mr. MOYNIHAN:

S. 73. A bill to make available funds under the Mutual Educational and Cultural Exchange Act of 1961 to provide Fulbright scholarships for Cuban nationals to undertake graduate study in the social sciences; to the Committee on Foreign Relations.

FULBRIGHT SCHOLARSHIPS FOR CUBAN NATIONALS

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to authorize funding for Cuban nationals for the Fulbright Educational Exchange Program so that they may come to the United States for graduate study.

The world is a changed place. The Soviet Union dissolved almost a decade ago, and since then democracy has replaced totalitarianism in Eastern Europe. Since the demise of its sponsor, the Soviet Union, and the disappearance of Soviet subsidies, Cuba has had to change to survive. In time, the winds of democracy sweeping the globe will reach the shores of Cuba.

We learned from the cold war that one of the most subversive acts in that ideological conflict was exposing communists to the West. In his lucid chronicle of the demise of the Soviet Union, Michael Dobbs writes in Down with Big Brother: The Fall of the Soviet Empire,

> A turning point in [Boris] Yeltsin's intellectual development occurred during his first visit to the United States in September 1989, more specifically his first visit to an American supermarket, in Houston, Texas. The sight of aisle after aisle of shelves neatly stacked with every conceivable type of foodstuff and household item, each in a dozen varieties, both amazed and depressed him. For Yeltsin, like many other first-time Russian visitors to America, this was infinitely more impressive than tourist attractions like the Statue of Liberty and the Lincoln Memorial. It was impressive precisely because of its ordinariness. A cornucopia of consumer goods beyond the imagination of most Soviets was within the reach of ordinary citizens without standing in line for hours. And it was all so attractively displayed. For someone brought up in the drab conditions of communism, even a member of the relatively privileged elite, a visit to a Western supermarket involved a full-scale assault on the senses.
>
> What we saw in that supermarket was no less amazing than America itself,'' recalled Lev Sukhanov, who accompanied Yeltsin on his trip to the United States and shared his sense of shock and dismay at the gap in living standards between the two superpowers. ''I think it is quite likely that the last prop of Yeltsin's Bolshevik consciousness finally collapsed after Houston. His decision to leave the party and join the struggle for supreme power in Russia may have ripened irrevocably at that moment of mental confusion.

The young people of Cuba are that country's future. As such what they learn now will help shape a post-Castro Cuba. Since its inception in 1947, at the suggestion of Senator J. William Fulbright, the Fulbright Educational Exchange Program has sent nearly 82,000 Americans abroad and provided 138,000 foreign students and professors with the opportunity to come to the United States for study—to live here, to understand our great country, and return to their own nations so enriched. Nearly 50 years ago they sent me off to the London School of Economics. I left the United States untouched by war to live in Europe as it climbed out of its ruins. In London, I learned from experience Seymour Martin Lipset's dictum, ''He who knows only one country knows no country.'' Use the simple analogy of eyesight: it takes two eyes to provide perspective. It was a seminal time for the world and for me. This bill will offer that opportunity to Cubans to study in the United States, as I studied in London.

Fidel Castro will not live forever—it is time to get ready for an end game. Now is the time to start showing the people of Cuba, especially the young people, how the United States works and how their country might change. So let us bring them here and not act like it's the middle of the Cold War. Let us bring them to the United States and offer them education and a chance to see the world's oldest democracy in action. We need to begin now to expose future leaders of Cuba to the United States. For, as Senator Fulbright observed,

> The vital mortar to seal the bricks of world order is education across international boundaries, not with the expectation that knowledge would make us love each other, but in the hope that it would encourage empathy between nations, and foster the emergence of leaders whose sense of other nations and cultures would enable them to shape specific policies based on tolerance and rational restraint.

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

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

S. 73

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

SECTION 1. FULBRIGHT SCHOLARSHIPS FOR CUBAN NATIONALS.

(a) AUTHORITY.—

(1) IN GENERAL.—The President is authorized to provide scholarships under the Fulbright Academic Exchange Program in section 102 of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2452) for nationals of Cuba who seek to undertake graduate study in public health, public policy, economics, law, or other field of social science.

(2) PROHIBITION.—No official of the Cuban government, or any member of the immediate family of the official, shall be eligible to receive a scholarship under paragraph (1).

(3) SUPERSEDING EXISTING LAW.—The authority of paragraph (1) shall be exercised without regard to any other provision of law.

(b) ALLOCATION OF FUNDS.—Of the amounts authorized to be appropriated to carry out the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) for fiscal years 2000 through 2004, the following amounts are authorized to be available to carry out subsection (a):

(1) For fiscal year 2000, $1,400,000 for not to exceed 20 scholarships.

(2) For fiscal year 2001, $1,750,000 for not to exceed 25 scholarships.

(3) For fiscal year 2002, $2,450,000 for not to exceed 35 scholarships.

(4) For fiscal year 2003, $2,450,000 for not to exceed 35 scholarships.

(5) For fiscal year 2004, $2,450,000 for not to exceed 35 scholarships.

By Mr. DASCHLE (for himself, Mr. KERRY, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Mr. REID, Mr. WYDEN, Mrs. BOXER, Mr. LAUTENBERG, Mr. KENNEDY, Mr. KERREY, Mr. DURBIN, Ms. LANDRIEU, Mr. ROBB, Mr. TORRICELLI, Mr. BREAUX, Mr. WELLSTONE, and Mrs. FEINSTEIN):

S. 74. A bill to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

PAYCHECK FAIRNESS ACT

Mr. LEAHY. Mr. President, I am privileged to join with my colleague Senator TOM DASCHLE to introduce the Paycheck Fairness Act.

Early in the next century, women—for the first time ever—will outnumber men in the United States workplace. In 1965, women held 35 percent of all jobs. That has grown to more than 46 percent today. And in a few years, women will make up a majority of the workforce.

Fortunately, there are more business and career opportunities for women today than there were thirty years ago. Unlike 1965, federal, state, and private sector programs now offer women many opportunities to choose their own futures. Working women also have opportunities to gain the knowledge and skills to achieve their own economic security.

But despite these gains, working women still face a unique challenge—achieving pay equity. The average woman earns 74 cents for every dollar that the average man earns. This amounts to a woman earning $8,434 less than a man over the course of one year and earning more than a quarter of a million dollars less over the course of a career.

We must correct this gross inequality, and we must correct it now.

How is this possible with our federal laws prohibiting discrimination? It is possible because we in Congress have failed to protect one of the most fundamental human rights—the right to be paid fairly for an honest day's work.

Unfortunately, our laws ignore wage discrimination against women, which continues to fester like a cancer in work places across the country. The Paycheck Fairness Act of 1999 would close this legal loophole by addressing the problem of pay inequality by redressing past discrimination and increasing enforcement against future abuses.

I do not pretend that this Act will solve all the problems women face in the work place. But it is an essential piece of the puzzle. Equal pay for equal work is often a subtle problem that is difficult to combat. And, it does not stand alone as an issue that woman face in the workplace. It is deeply intertwined with the problem of unequal opportunity. Closing this loophole is not enough if we fail to provide the opportunity for women to reach high paying positions.

The government, by itself, cannot change the attitudes and perceptions of individuals and private businesses in hiring and advancing women, but it can set an example. Certainly President Clinton has shown great leadership by appointing an unprecedented number of women to his administration. In my home state of Vermont, Major General Martha Rainville has been appointed Adjutant General of the Vermont National Guard—the first woman in the country to hold this prestigious position.

Vermont is also a leader in providing pay equity. According to the Institute for Women's Policy Research, Vermont ranks second in providing equal pay. Even with this ranking, the average woman in Vermont still is making less than 82 cents for every dollar that the average man makes in Vermont. We must work in the Senate and in the workplace to close this gap.

We are all familiar with the glass ceiling which prevents women from advancing in the workplace. However, woman are also facing a glass wall—they are unable to achieve equal pay for equal work. Women cannot break the glass ceiling until the wall comes down.

The Paycheck Fairness Act is one step to remedy this problem and bring down the glass wall. This Act will strengthen enforcement of the Equal Pay Act, increase penalties for violations, and permit employees to openly discuss their wages with coworkers without fear of retaliation by their employers.

I understand that this bill will not solve all of the problems of pay inequity, but it will close legal loopholes that allow employers to routinely underpay women. By closing these loopholes, we will help women achieve better economic security and provide them with more opportunities.

By Mr. LUGAR:

S. 75. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

ESTATE AND GIFT TAX REPEAL ACT OF 1999

By Mr. LUGAR:

S. 76. A bill to phase-out and repeal the Federal estate and gift taxes and the tax on generational-skipping transfers; to the Committee on Finance.

ESTATE AND GIFT TAX PHASE-OUT ACT OF 1999

By Mr. LUGAR:

S. 77. A bill to increase the unified estate and gift tax credit to exempt small businesses and farmers from estate taxes; to the Committee on Finance.

FARMER AND ENTREPRENEUR ESTATE TAX RELIEF ACT OF 1999

Mr. LUGAR (for himself, Mr. HAGEL, Mr. ROBERTS, and Mr. HELMS):

S. 78. A bill to amend the Internal Revenue Act of 1986 to increase the gift tax exclusion to $25,000; to the Committee on Finance.

GIFT TAX EXCLUSION

Mr. LUGAR. Mr. President, I am pleased to introduce on behalf of myself and Senators HAGEL, HELMS and ROBERTS a package of legislation intended to minimize or eliminate the burden that estate and gift taxes place on our economy. The estate tax hinders entrepreneurial activity and job creation in many sectors of our economy. Despite the fact that my bills would help all Americans who face this onerous tax, I come to the estate tax debate because of my interest in American agriculture.

As Chairman of the Senate Agriculture Committee, I have held hearings on the impact of the estate tax on farmers and ranchers. The effects of inheritance taxes are fare reaching in the agricultural community. Citing personal experiences, witnesses described how the estate tax discourages savings, capital investment and job formation.

One such story came from a Hoosier, Mr. Woody Barton. He is a fifth generation tree farmer living in the house his great grandparents built in 1885. I visited his 300 acres of forested property last October and can attest to its beauty. Typical of many farmers, Mr. Barton is over 65 years old and wants to leave this legacy to his four children. But he fears that the estate tax may cause his children to strip the timber and then sell the land in order to pay the estate tax bill. His grandmother logged a portion of the land in 1939 to pay the debts that came from the death of her husband. In essence, each generation must buy back the hard work and dedication of their ancestors from the federal government. Mr. Barton believes, and I agree, that the actions of Congress have more impact on the outcome of his family's land than his own planning and investment. This should not be the case.

The estate and gift tax falls disproportionately hard on our agricultural producers. Ninety-five percent of farms and ranch operations are sole proprietorships or family partnerships, subjecting a vast majority of these businesses to the threat of inheritance taxes. According to USDA figures, farmers are six times more likely to face inheritance taxes than other Americans. And commercial farm estates—those core farms that produce 85 percent of our nation's agricultural products—are fifteen times more likely

to pay inheritance taxes than other individuals.

This hardship will only get worse as the agricultural community gets older, with the average farmer about to have a 60th birthday. Many farmers will shortly confront estate and gift taxes when they pass their farm onto the next generation. Recently, the USDA estimated that between 1992 and 2002, more than 500,000 farmers will retire. Only half of those positions will be replaced by young farmers. Demographic studies indicate that a quarter of all farmers could confront the inheritance tax during the next 20 years.

To combat this problem, today I offer several legislative alternatives to provide relief to those impacted by this tax. My first bill would repeal the estate and gift taxes outright. My second bill would phase out the estate tax over five years by gradually raising the unified credit each year until the tax is repealed after the fifth year. My third bill would immediately raise the effective unified credit to $5 million in an effort to address the disproportionate burden that the estate tax places on farmers and small businesses. My last bill would raise the gift tax exemption from $10,000 to $25,000.

I believe the best option is a simple repeal of the estate tax. I am hopeful that during this Congress, as members become more aware of the effects of this tax, we can eliminate it from the tax code. However, even if the estate tax is not repealed, the unified credit must be raised significantly. Despite our most recent success in raising the exemption level, inflation has caused a growing percentage of estates to be subjected to the estate tax. My second bill is intended to highlight this point and provide a gradual path to repeal.

My third bill focuses on relieving the estate tax burden that falls disproportionately on farmers and small business owners. By raising the exemption amount to $5 million, 96 percent of estates with farm assets and 90 percent of estates with non-corporate business assets would not have to pay estate taxes, according to the IRS.

The final bill in this package would raise the gift tax exemption from $10,000 to $25,000. This level has not been adjusted since 1982. Over the years, the inflation has eroded this exemption amount, and I believe this level must be raised to provide Americans with an additional tool for passing productive assets to the next generation.

Despite its modest beginnings in 1916, the estate tax has mushroomed into an exorbitant tax on death that discourages savings, economic growth and job formation by blocking the accumulation of entrepreneurial capital and by breaking up family businesses and farms. With the highest marginal rate at 55 percent, more than half of an estate can go directly to the government. By the time the inheritance tax is levied on families, their assets have already been taxed at least once. This form of double taxation violates perceptions of fairness in our tax system.

If we are sincere about boosting economic growth, we must consider what effect the estate tax has on a business owner deciding whether to invest in new capital goods or hire a new employee. The Heritage Foundation estimates that repealing the estate tax would annually boost our economic output by $11 billion, create 145,000 new jobs and raise personal income by $8 billion. These figures underscore the current weight of this tax on our economy.

One might expect that for all the economic disincentives caused by the estate tax, it must at least provide a sizable contribution to the U.S. Treasury. But in reality, the estate tax only accounts for about 1 percent of federal taxes. It cannot be justified as an indispensable revenue raiser. Given the blow delivered to job formation and economic growth, the estate tax may even cost the Treasury money. Our nation's ability to create new jobs, new opportunities and wealth is damaged as a result of our insistence on collecting a tax that earns less than 1 percent of our revenue.

But this tax affects more than just the national economy. It affects how we as a nation think about community, family and work. Small businesses and farms represent much more than assets. They represent years of toil and entrepreneurial risk taking. They also represent the hopes that families have for their children. Part of the American Dream has always been to build up a business, farm or ranch so that economic opportunities and a way of life can be passed on to one's children and grandchildren.

I know first-hand about the dangers of this tax to agriculture. My father died when I was 24, leaving his 604-acre farm in Marion County, Indiana, to his family. I helped manage the farm, which had built up considerable debts during my father's illness. Fortunately, after a number of years, we were successful in working out the financial problems and repaying the money. We were lucky. That farm remains in our family because I have been practicing active estate planning and execution of the plan along with profitable farming for each of the last 40 years. But many of today's farmers and small business owners are not so fortunate. Only about 30 percent of businesses are transferred from parent to child, and only about 12 percent of businesses make it to a grandchild.

Mr. President, these bills I have introduced will provide policymakers with a range of options as they seek to mitigate the burdens of the estate tax. Doing so will lead to expanded investment incentives and job creation and will reinvigorate an important part of the American Dream. I am hopeful that Senators will join me in the effort to free small businesses, family farms and our economy from this counterproductive tax. I ask unanimous consent that my four bills be printed in the RECORD.

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

S. 75

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 ''Estate and Gift Tax Repeal Act of 1999''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The economy of the United States cannot achieve strong, sustained growth without adequate levels of savings to fuel productive activity. Inadequate savings have been shown to lead to lower productivity, stagnating wages, and reduced standards of living.

(2) Savings levels in the United States have steadily declined over the past 25 years, and have lagged behind the industrialized trading partners of the United States.

(3) These anemic savings levels have contributed to the country's long-term downward trend in real economic growth, which averaged close to 3.5 percent over the last 100 years but has slowed to 2.4 percent over the past quarter century.

(4) Congress should work toward reforming the entire Federal tax code to end its bias against savings and eliminate double taxation.

(5) Repealing the estate and gift tax would contribute to the goals of expanding savings and investment, boosting entrepreneurial activity, and expanding economic growth. The estate tax is harmful to the economy because of its high marginal rates and its multiple taxation of income.

(6) Abolishing the estate tax would restore a measure of fairness to the Federal tax system. Families should be able to pass on the fruits of labor to the next generation without realizing a taxable event.

(7) Abolishing the estate tax would benefit the preservation of family farms. Nearly 95 percent of farms and ranches are owned by sole proprietors or family partnerships, subjecting most of this property to estate taxes upon the death of the owner. Due to the capital intensive nature of farming and its low return on investment, farmers are 15 times more likely to be subject to estate taxes than other Americans.

SEC. 3. REPEAL OF FEDERAL TRANSFER TAXES.

(a) IN GENERAL.—Subtitle B of the Internal Revenue Code of 1986 is hereby repealed.

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

(c) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable but in any event not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1986 which are necessary to reflect throughout

such Code the changes in the substantive provisions of law made by this Act.

S. 76

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 ''Estate and Gift Tax Phase-Out Act of 1999''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The economy of the United States cannot achieve strong, sustained growth without adequate levels of savings to fuel productive activity. Inadequate savings have been shown to lead to lower productivity, stagnating wages, and reduced standards of living.

(2) Savings levels in the United States have steadily declined over the past 25 years, and have lagged behind the industrialized trading partners of the United States.

(3) These anemic savings levels have contributed to the country's long-term downward trend in real economic growth, which averaged close to 3.5 percent over the last 100 years but has slowed to 2.4 percent over the past quarter century.

(4) Repealing the estate and gift tax would contribute to the goals of expanding savings and investment, boosting entrepreneurial activity, and expanding economic growth.

(5) Abolishing the estate tax would restore a measure of fairness to the Federal tax system. Families should be able to pass on the fruits of labor to the next generation without realizing a taxable event.

(6) Abolishing the estate tax would benefit the preservation of family farms. Nearly 95 percent of farms and ranches are owned by sole proprietors or family partnerships, subjecting most of this property to estate taxes upon the death of the owner. Due to the capital intensive nature of farming and its low return on investment, farmers are 15 times more likely to be subject to estate taxes than other Americans.

SEC. 3. PHASE-OUT OF ESTATE AND GIFT TAXES THROUGH INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT.

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

''In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2000	$1,000,000
2001	$1,500,000
2002	$2,000,000
2003	$2,500,000
2004	$5,000,000.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 1997.

SEC. 4. REPEAL OF FEDERAL TRANSFER TAXES.

(a) IN GENERAL.—Subtitle B of the Internal Revenue Code of 1986 is repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2004.

(c) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or the Secretary's delegate shall not later than 90 days after the effective date of this section, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1986 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

S. 77

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 ''Farmer and Entrepreneur Estate Tax Relief Act of 1999''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The economy of the United States cannot achieve strong, sustained growth without adequate levels of savings to fuel productive activity. Inadequate savings have been shown to lead to lower productivity, stagnating wages and reduced standards of living.

(2) Savings levels in the United States have steadily declined over the past 25 years, and have lagged behind the industrialized trading partners of the United States.

(3) These anemic savings levels have contributed to the country's long-term downward trend in real economic growth, which averaged close to 3.5 percent over the last 100 years but has slowed to 2.4 percent over the past quarter century.

(4) Congress should work toward reforming the entire Federal tax code to end its bias against savings.

(5) Repealing the estate and gift tax would contribute to the goals of expanding savings and investment, boosting entrepreneurial activity, and expanding economic growth. The estate tax is harmful to the economy because of its high marginal rates and its multiple taxation of income.

(6) The repeal of the estate tax would increase the growth of the small business sector, which creates a majority of new jobs in our Nation. Estimates indicate that as many as 70 percent of small businesses do not make it to a second generation and nearly 90 percent do not make it to a third.

(7) Eliminating the estate tax would lift the compliance burden from farmers and family businesses. On average, family-owned businesses spent over $33,000 on accountants, lawyers, and financial experts in complying with the estate tax laws over a 6.5-year period.

(8) Abolishing the estate tax would benefit the preservation of family farms. Nearly 95 percent of farms and ranches are owned by sole proprietors or family partnerships, subjecting most of this property to estate taxes upon the death of the owner. Due to the capital intensive nature of farming and its low return on investment, farmers are 15 times more likely to be subject to estate taxes than other Americans.

(9) As the average age of farmers approaches 60 years, it is estimated that a quarter of all farmers could confront the estate tax over the next 20 years. The auctioning of these productive assets to finance tax liabilities destroys jobs and harms the economy.

(10) Abolishing the estate taxes would restore a measure of fairness to our Federal tax system. Families should be able to pass on the fruits of the labor to the next generation without realizing a taxable event.

(11) Despite this heavy burden on entrepreneurs, farmers, and our entire economy, estate and gift taxes collect only about 1 percent of our Federal tax revenues. In fact, the estate tax may not raise any revenue at all, because more income tax is lost from individuals attempting to avoid estate taxes than is ultimately collected at death.

(12) Repealing estate and gift taxes is supported by the White House Conference on Small Business, the Kemp Commission on Tax Reform, and 60 small business advocacy organizations.

SEC. 3. INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT.

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

(1) by striking ''2000 and 2001'' and inserting ''2000 or thereafter'',

(2) by striking ''$675,000'' and inserting ''$5,000,000'', and

(3) by striking all matter beginning with the item relating to 2002 and 2003 through the end of the table.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 1999.

S. 78

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

SECTION 1. INCREASE IN GIFT TAX EXCLUSION.

(a) IN GENERAL.—Section 2503(b) of the Internal Revenue Code of 1986 (relating to exclusions from gifts) is amended—

(1) by striking ''$10,000'' each place it appears and inserting ''$25,000'',

(2) by striking ''1998'' in paragraph (2) and inserting ''2000'', and

(3) by striking ''1997'' in paragraph (2)(B) and inserting ''1999''.

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

By Ms. SNOWE (for herself and Mr. JEFFORDS):

S. 79. A bill to amend the Federal Election Campaign Act of 1971 to require disclosure of certain disbursements made for electioneering communications, and for other purposes; to the Committee on Rules and Administration.

ADVANCING TRUTH AND ACCOUNTABILITY IN CAMPAIGN COMMUNICATIONS ACT OF 1999

Ms. SNOWE. Mr. President, I rise today to introduce on behalf of myself and Mr. JEFFORDS the Advancing Truth and Accountability in Campaign Communications Act of 1999, or ATACC, which represents an effort to attack the problem of stealth advocacy advertising in federal elections and shine the spotlight of disclosure on those who would attempt to fly under the radar screen of our campaign finance laws.

Before I begin, I want to thank and commend Senator JEFFORDS for all his valuable input and hard work in helping to craft this legislation, which was originally introduced as an amendment last year to the McCain-Feingold Campaign Finance Reform Bill. And I want to thank Senators MCCAIN and FEINGOLD themselves, who encouraged our efforts.

In the past several elections, we've seen a proliferation of advertisements over the airwaves which cloak themselves in the innocuous guise of ''issue

advocacy'', or voter education. The sponsors of these ads would have us believe that they are performing a public service by running these ads, and do not intend for them to affect the outcome of federal elections. They claim that because they do not use words like ''vote for'', or ''vote against'', they are exempt from federal campaign finance laws. They even argue that no one has the right simply to know who is sponsoring the ads.

And yet, these ads say things like: ''Mr. X promised he'd be different. But he's just another Washington politician. Why during the last year alone, he has taken over $260,000 from corporate special interest groups. . . . But is he listening to us anymore?''

I defy anyone to argue, with a straight face, that that message is anything other than a blatant attempt to influence a federal election. And yet, under current law, any person, labor union, or corporation, has a right to run such ads without even disclosing the most basic information, such as who they are, or how much they are spending. And that is just plain wrong.

During the 1996 elections, the Annenberg Public Policy Center estimates that anywhere between $135 million and $150 million was spent by third party groups not associated with candidates' campaigns on such radio and television ads. I say ''estimates'' because we really don't know for sure. There is no official record kept, nor is anyone required to submit the kind of information needed to keep such records.

And lest there be any doubt of the real intent of these ads, the Annenburg Report found that nearly 87 percent of them mentioned a candidate for office by name, and over 41 percent were seen by the public as ''pure attack'' ads—that's the highest percentage recorded among a group that also included Presidential ads, debates, free-time segments accorded candidates, and news programs.

If anything, not surprisingly, the problem got worse in the 1997–1998 election cycle. The Annenberg Center has completed their study of this time period, and has determined that issue ad spending in the last cycle doubled the amount spent in 1995 through 1996—to total between $275 and $340 million. Of those ads, over 53 percent mentioned candidates by name during the cycle—a number which rose to over 80 percent in the final two months. Further, 51.5 percent of issue ads aired after September 1, 1998, were pure attack ads in terms of their content. At least 77 groups ran broadcast issue ads in 1997 and 1998.

As Norm Ornstein of the American Enterprise Institute has stated, ''(These are) conservative number(s), since there is no disclosure of (these) media buys or other spending.'' To put this in perspective, 1998 was the first billion dollar election—meaning that about a quarter of the money spent was on what I call ''stealth advocacy'' advertising. One quarter of all the money spent—which the Annenberg Center estimates is roughly equivalent to what candidates themselves spent on their own campaigns—was unaccounted for, unreportable and unregulated in any fashion. And, as Norm Ornstein has pointed out, 1998 was an ''off-year'', and ''without campaign reform, we can probably look forward to the $2 billion or $3 billion election in 2000, with a half-billion of it disguised as issue advocacy.''

Let me explain how this bill will get to the core of this problem; how it works; and why it is much more likely to pass court muster than previous attempts to get at this issue.

The premise of this bill was developed in consultation with noted constitutional scholars and reformers such as Norm Ornstein; Josh Rosenkrantz, Director of the Brennan Center for Justice at NYU; and others. The approach is a straightforward, two tiered one that only applies to advertisements that constitute the most blatant form of electioneering.

It only applies to ads run on radio or television, 30 days before a primary and 60 days before a general election, that identify a federal candidate. And only if over $10,000 is spent on such ads in a year. What is required is disclosure of the ads' sponsor and major donors, and a prohibition on the direct or indirect use of corporation or union money to fund the ads.

We called this new category ''electioneering ads''. They are the only communications addressed, and we define them very narrowly and carefully.

If the ad is not run on television or radio; if the ad is not aired within 30 days of a primary or 60 days of a general election, if the ad doesn't mention a candidate's name or otherwise identify him clearly, if it isn't targeted at the candidate's electorate, or if a group hasn't spent more than $10,000 in that year on these ads, then it is not an electioneering ad.

If it is an item appearing in a news story, commentary, or editorial distributed through a broadcast station, it is also not an electioneering ad. Plain and simple.

If one does run an electioneering ad, two things happen. First, the sponsor must disclose the amount spent and the identity of contributors who donated more than $500 to the group since January 1 of the previous year. Right now, candidates have to disclose campaign contributions over $200. Second, the ad cannot be paid for by funds from a business corporation or labor union—only voluntary contributions.

The clear, narrow wording of the bill is important because it passes two critical First Amendment doctrines that were at the heart of the Supreme Court's landmark Buckley versus Valeo decision: vagueness and overbreadth. The rules of this provision are clear. And the requirements are strictly limited to ads run near an election that identify a candidate—ads plainly intended to convince voters to vote for or against a particular candidate.

Nothing in this bill restricts the right of any group to engage in issue advocacy. For example, the following ad—which was actually run in 1996—would be completely unaffected by this bill. The text of the ad—which is a pure issue ad in the true sense of the term—says, ''This election year, America's children need your vote. Our public schools are our children's ticket to the future. But education has become just another target for attack by politicians who want huge cuts in education programs. They're making the wrong choices. Our children deserve leaders who will strengthen public education, not attack it. They deserve the best education we can give them. So this year, vote as if your children's future depends on it. It does.''

That is not an electioneering ad, and that conclusion is not simply based on perception. It is based on the fact that it does not meet the clearly delineated criteria put forth in our bill, and therefore, exists completely outside the realm of this legislation.

For that matter, nothing prohibits groups from running electioneering ads, either. Let me be clear on this: if this bill becomes law, any group running issues ads today can still run issue ads in the future, with no restrictions on content. And any group running electioneering ads can still run those ads in the future, again with absolutely zero restrictions on content.

The argument that will no doubt be leveled by opponents to this approach—those advocates of secrecy who do not want the public to know who is financing these ads, and for how much—is that it is inconsistent with the First Amendment of the Constitution. This is simply not so, and that's not just my opinion. Constitutional scholars from Stanford Law to Georgia Law to Loyola Law to Vanderbilt Law have endorsed the approach of this bill.

The fact is, the only restrictions in the bill—namely, the use of union and corporation treasury money to pay for electioneering ads—are rooted in well-established case law that has long allowed for the regulation of the use of such money for electioneering purposes. Further, the threshold for disclosure is more than double what it is for candidates who receive contributions, and absolutely no disclosure is required whatsoever from any person or entity which spends less than $10,000. And it bears repeating that nothing in this bill affects any printed communications in any way, shape, or form—so voter guides are completely outside the universe of communications that are covered by this measure.

Mr. President, ATACC is a sensible, reasonable approach to attacking a burgeoning segment of electioneering that is making a mockery of our campaign finance system. I would ask my colleagues, how can anyone not be for disclosure? How can anyone say that less information for the public leads to better elections? Don't the American people have the right to know who is paying for these stealth advocacy ads, and how much?

Apparently, the majority of the Senate thought so. Last year, when this measure was approved as an amendment and incorporated into the McCain-Feingold legislation, the bill garnered 52 votes—bringing the majority of the Senate on board. Unfortunately, the will of the majority did not ultimately prevail, as we were unable to break the sixty votes necessary to end a threatened filibuster and institute real, fair and meaningful reform in the way in which American elections are financed.

But we have heard before that it can't be done, only to see the House of Representatives do it. Today, we have new members of this body—members who have seen first hand the effects these electioneering ads are having on campaigns and elections in this country, and I invite them to join with Senators JEFFORDS and I in supporting this bill. I would say to them that we, as candidates and Senators, are accountable to the people. We're required to file disclosure reports as candidates. PACs are required to disclose. But hundreds of millions of dollars are spent on these ads without one dime being reported. Not one dime.

Mr. President, I come to this debate as a veteran supporter of campaign finance reform. As someone who has served on Capitol Hill for twenty years, I understand the realities, and I know that there are concerns on both sides of the aisle that whatever measure we may ultimately pass, it must be fair, equitable, and constitutional.

This bill passes all three of these tests. And it represents one, significant step we might take to ensure that the first elections of the next century—the next millennium—are more open, more fair, and more representative of the will of the individual. That's what this bill is really all about, Mr. President. It's about putting elections back into the hands of individuals by letting them have the facts they need to make informed decisions, and by ensuring that electioneering ads are paid for by voluntary, individual contributions.

That's all, Mr. President. No plot to subvert the First Amendment. No scheme to silence any group or person. No plan to control what anyone says or when they say it. Just an honest, constitutionally sound attempt to bring some honesty and accountability back into electioneering advertising, and return some sense of confidence to the American people that their elections belong to them. I ask my colleagues to join me in supporting this sensible, incremental approach, and join in the fight to attack secrecy and promote honesty in campaign advertising.

Mr. JEFFORDS. Mr. President, on this first legislative day of the 106th Congress I rise in the Senate Chamber to express my strong support for the bill Senator SNOWE and I are introducing and urge my Senate colleagues to join as cosponsors of this important legislation.

Throughout the last Congress the Senate spent many legislative hours debating campaign finance reform. In fact, since my election to the House in the wake of the Watergate scandal, I have spent many long hours working with my colleagues to craft campaign finance reform legislation that could endure the legislative process and survive a constitutional challenge. We came close in 1994 and last year, and I believe circumstances still remain right for enactment of meaningful campaign finance reform during this Congress.

I believe that the irregularities associated with our recent campaigns, and especially in the 1996 elections, point out the fact that current election laws are not being strongly enforced or working to achieve the goals that we all have for campaign finance reform. The proof obtained from the hearings in both the House and the Senate on campaign finance abuses should alone be enough to motivate my colleagues to complete work on this issue in the Senate. Without action, these abuses will become more pronounced and widespread as we go from election to election.

The Snowe-Jeffords bill, the Advancing Truth and Accountability of Campaign Communications Act (ATACC), will boost disclosure requirements and tighten the rule on expenditures of corporate and union treasury funds in the weeks preceding a primary and general election.

I would like to begin with a story that may help my colleagues understand the need for this legislation, and that many of my colleagues may understand from their own campaigns. Two individuals are running for the Senate and have spent the last few months holding debates, talking to the voters and traveling around the state. Both candidates feel that they have informed the voters of their thoughts, views and opinions on the issues, and that the voters can use this information to decide on which candidate they will support.

Two weeks before the day of the election a group called the People for the Truth and the American Way, let's say, begins to run television advertisements which include the picture of one of the candidates and that candidate's name. However, these advertisements do not use the express terms of ''vote for'' or ''vote against.'' These advertisements discuss issues such as the candidate's drinking, supposed off-shore bank accounts and the failure of the candidate's business.

The voters do not know who this group is, who are its financial backers and why they have an interest in this specific election, and under our current election law the voters will not find out. Thus, even though the candidates have attempted to provide the voters with all the information concerning the candidate's views on the issues, they will be casting their vote lacking critical information concerning these advertisements.

Some people may say that voters do not need this information. But as James Madison said, ''A popular government without popular information is but a prologue to a tragedy or a farce or perhaps both. Knowledge will forever govern ignorance and a people who mean to be their own governors must arm themselves with the power which knowledge gives.''

Mr. President, the ATACC Act will arm the people with the knowledge they need in order to sustain our popular government. And the need to arm the people with this knowledge is becoming greater every year. As my colleague Senator SNOWE has stated, the amount of money spent on issue advocacy advertising is increasing over time at an alarming rate. In the 1995–1996 election cycle an estimated $135–150 million was spent on issue advocacy, while in the recently completed cycle an estimated $275–340 million was expended on these types of advertisements. This is a doubling of the amount of money spent on issue advocacy ads in one election cycle, and I fear entering an election cycle that includes a Presidential election that we may see at least another doubling of these type of expenditures.

I have long believed in Justice Brandeis' statement that, ''Sunlight is said to be the best of disinfectants.'' The disclosure requirements in the ATACC Act are narrow and tailored to provide the electorate with the important pertinent information they will need to make an informed decision. Information included on the disclosure statement includes the sponsor of the advertisement, amount spent, and the identity of the contributors who donated more than $500. Getting the public this information will greatly help the electorate evaluate those who are seeking federal office.

Additionally, this disclosure, or disinfectant as Justice Brandeis puts it, will also help deter actual corruption and avoid the appearance of corruption that many already feel pervades our campaign finance system. This, too, is an important outcome of the disclosure requirements of this bill. Getting this information into the public purview

would enable the press, the FEC and interest groups to help ensure that our federal campaign finance laws are obeyed. If the public doesn't feel that the laws Congress passes in this area are being followed, this will lead to a greater level of disillusionment in their elected representatives. Exposure to the light of day of any corruption by this required disclosure will help reassure our public that the laws will be followed and enforced.

While our bill focuses on disclosure, it will also prohibit corporations and unions from using general treasury monies to fund these types of electioneering communications in a defined period close to an election. Since 1907, federal law has banned corporations from engaging in electioneering. In 1947, that ban was extended to prohibit unions from electioneering as well. The Supreme Court has upheld these restrictions in order to avoid the deleterious influences on federal elections resulting from the use of money by those who exercise control over large aggregations of capital. By treating both corporations and unions similarly we extend current regulation cautiously and fairly. I feel that this prohibition, coupled with the disclosure requirements, will address many of the concerns my colleagues from both sides of the aisle have raised with regards to our current campaign finance laws.

Mr. President, I think it is important to clarify at this time some of the things that this bill will not do. It will not prevent grass-roots lobbying communications, it does not cover printed material, nor require the text or a copy of the advertisement to be disclosed. Finally, it does not restrict how much money can be spent on ads, nor restrict how much money a group raises. These points must be expressed early on to ensure that my colleagues can clearly understand what we are and are not attempting to do with our legislation.

We have taken great care with our bill to avoid violating the important principles in the First Amendment of our Constitution. This has required us to review the seminal cases in this area, including *Buckley* v. *Valeo*. Limiting corporate and union spending and disclosure rules has been an area that the Supreme Court has been most tolerant of regulation. We also strove to make the requirements sufficiently clear and narrow to overcome unconstitutional claims of vagueness and overbreadth.

Mr. President, I wish I could guarantee to my colleagues that these provisions would be held constitutional, but as we found out with the Religious Freedom Restoration Act, even with near unanimous support, it is difficult to gauge what the Supreme Court will decide on constitutional issues. However, I feel that the provisions we have created follow closely the constitutional roadmap established by the Supreme Court by the decisions in this area, and that it would be upheld.

I know that campaign finance reform is an area of diverse viewpoints and beliefs. However, I feel that the ATACC act offers a constructive and constitutional solution that addresses some of the problems that have been expressed concerning our current campaign finance system. The American people are watching and hoping that we will have a fair, informative and productive debate on campaign finance reform. I know that the proposal that Senator SNOWE and I have put forward will do just that.

The electorate has grown more and more disappointed with the tenor of campaigns over the last few years, and this disappointment is reflected in the low number of people that actually participate in what makes this country and democracy great, voting. I feel that giving the voters the additional information required by our legislation will help dispel some of the disillusionment the electorate feel with our campaign system and reinvigorate people to participate again in our democratic system.

In conclusion, the very basis of our democracy requires that an informed electorate participate by going to the polls and voting. The ATACC act will through its disclosure requirements inform our electorate and lead people to again participate in our democratic system.

By Ms. SNOWE:

S. 80. A bill to establish the position of Assistant United States Trade Representative for Small Business, and for other purposes; to the Committee on Finance.

SMALL BUSINESS ENHANCEMENT ACT

Ms. SNOWE. Mr. President, I rise today to introduce legislation designed to help America's small businesses. This legislation will assist small businesses by requiring an estimate of the cost of a bill on small businesses before Congress enacts the legislation, and by creating an Assistant U.S. Trade Representative for Small Business.

Small business is the driving force behind our economy, and in order to create jobs—both in my home State of Maine and across the Nation—we must encourage small business expansion.

Nationwide, an estimated 13 to 16 million small businesses represent over 99 percent of all employers. They also employ 52 percent of the workers, and 38 percent of workers in high-tech occupations. Small businesses account for virtually all of the net new jobs, and 51 percent of private sector output.

In my home State of Maine, of the 36,660 businesses with employees in 1997, 97.6 percent of the businesses were small businesses. Maine also boasts an estimated 71,000 self-employed persons. In terms of job growth, small businesses are credited with all of the net new jobs in a survey of job growth from 1992 to 1996.

Small businesses are the most successful tool we have for job creation. They provide a substantial majority of the initial job opportunities in this country, and are the original—and finest—job training program. Unfortunately, as much as small businesses help our own economy—and the Federal Government—by creating jobs and building economic growth, government often gets in the way. Instead of assisting small business, Government too often frustrates small business efforts.

Federal regulations create more than 1 billion hours of paperwork for small businesses each year, according to the Small Business Administration. Moreover, because of the size of some of the largest American corporations, U.S. commerce officials too often devote a disproportionate amount of time to the needs and jobs in corporate America rather than in small businesses.

My legislation will address two problems facing our Nation's small businesses, and I hope it will both encourage small business expansion and fuel job creation.

One, this legislation will require a cost analysis legislative proposal before new requirements are passed on to small businesses. Too often, Congress approves well-intended legislation that shifts the costs of programs to small businesses. This proposal will help ensure that these unintended consequences are not passed along to small businesses.

According to the U.S. Small Business Administration, small business owners spend at least 1 billion hours a year filling out government paperwork, at an annual cost that exceeds $100 billion. Before we place yet another obstacle in the path of small business job creation, we should understand the costs our proposals will impose on small businesses.

This bill will require the Director of the Congressional Budget Office to prepare for each committee an analysis of the costs to small businesses that would be incurred in carrying out provisions contained in new legislation. This cost analysis will include an estimate of costs incurred in carrying out the bill or resolution for a 4-year period, as well as an estimate of the portion of these costs that would be borne by small businesses. This provision will allow us to fully consider the impact of our actions on small businesses—and through careful planning, we may succeed in avoiding unintended costs.

Two, this legislation will direct the U.S. Trade Representative to establish a position of Assistant U.S. Trade Representative for Small Business. The Office of the U.S. Trade Representative is overburdened, and too often overlooks the needs of small business. The new Assistant U.S. Trade Representative

will promote exports by small businesses and work to remove foreign impediments to these exports.

Mr. President, I am convinced that this legislation will truly assist small businesses, resulting not only in additional entrepreneurial opportunities but also in new jobs. I urge my colleagues to join me in supporting this legislation.

By Mr. McCAIN (for himself, Mr. FRIST, Mr. ALLARD, and Mr. AKAKA):

S. 81. A bill to authorize the Federal Aviation Administration to establish rules governing park overflights; to the Committee on Commerce, Science, and Transportation.

NATIONAL PARKS OVERFLIGHTS ACT

Mr. McCAIN. Mr. President, I rise today to introduce the National Parks Overflights Act. This legislation intends to promote air safety and protect natural quiet in our national parks by providing a process for developing air tour management plans (ATMP) at those parks. An ATMP at a national park would manage commercial air tour flights over and around that park, and over any Native American lands within or adjacent to the park.

I would like to remind my colleagues that this is the same legislation that was approved overwhelmingly by the Senate last September, as part of the Wendell H. Ford National Air Transportation System Improvement Act, or the Federal Aviation Administration (FAA) reauthorization bill. Today I reintroduced the FAA reauthorization bill that was approved by the Senate last year. Title VI of the bill deals with national parks overflights.

Mr. President, the National Parks Overflights Act was developed at the recommendation of the National Parks Overflights Working Group. The working group was established to develop a plan for instituting flight restrictions over national parks because of the noise and environmental consequences associated with commercial air tours of the parks. Environmentalists, as well as general aviation and air tour industry representatives, constituted the membership of the working group. The group recommended a consensus proposal on overflights, which is embodied in the National Parks Overflights Act.

Visitors to our national parks, whether by air or through the entrance gate, deserve a safe and quality visitor experience. The number of air tour flights across the country is on the rise. As additional aircraft operate in concentrated airspace, the risk of an accident increases. We have a responsibility to manage park airspace to provide for the safe and orderly flow of traffic.

''Natural quiet,'' or the ambient sounds of the environment without the intrusion of manmade noise, is a highly valued resource for visitors to our national parks. As commercial air tour flights increase, their noise also increases, which can impair the opportunity for park visitors on the ground to enjoy the natural quiet that they seek and deserve.

The National Parks Overflights Act seeks to promote both safety and natural quiet by providing a fair and balanced process for the development of Air Tour Management Plans at individual parks. The FAA Administrator and the Director of the National Park Service are to work cooperatively to develop an ATMP through a public process.

The development of an ATMP will include the environmental requirements of the National Environmental Policy Act. The bill would also require that commercial air tour operators increase their safety standards, specifically by meeting FAA Part 135 or Part 121 safety criteria.

Certain parks have been dealt with individually in the bill because of their unique circumstances. Since Grand Canyon overflights are governed by legislation that has already been enacted into law, the Grand Canyon National Park has been exempted from the legislation. Alaska is also exempt from the legislation given the vast expanse of park land and the unique nature of aviation in the state. The legislation would prohibit commercial air tours of the Rocky Mountain National Park.

Let me conclude by saying that commercial air tours provide a legitimate means of experiencing national parks. They are particularly important for providing access to the elderly and the disabled. I believe that this legislation appropriately balances the rights of all park visitors. I hope and expect that we can work together toward its swift enactment.

By Mr. McCAIN (for himself, Mr. HOLLINGS, Mr. LOTT, Mr. ROCKEFELLER, Mr. FRIST, Mr. BRYAN, Mr. WYDEN and Mr. AKAKA):

S. 82. A bill to authorize appropriations for Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AIR TRANSPORTATION IMPROVEMENT ACT

Mr. McCAIN. Mr. President, I rise today to introduce the Air Transportation Improvement Act, which would reauthorize the programs of the Federal Aviation Administration (FAA), including the Airport Improvement Program (AIP). This legislation includes numerous provisions that will help sustain and enhance safety, security, efficiency, and competition in the national aviation system. The bill also would establish a widely-endorsed system for managing the environmental consequences of commercial air tour flights over national parks.

As most of my colleagues know, the Commerce Committee worked hard last year to develop a multi-year FAA reauthorization bill. Following a bipartisan, inclusive, and constructive process, we developed a package that among other things would have authorized important airport construction grants. The legislation also would have instituted a host of safety and security enhancements.

One of the key elements of last year's Senate-passed FAA bill was the aviation competition and service title. It would have modestly enhanced the capacity at the four slot-controlled airports in the country—LaGuardia and JFK in New York, Chicago O'Hare, and Reagan National. New entrant, low fare carriers have been effectively shut out of these key markets, which are critical to sustaining a healthy network and giving consumers new low cost choices.

Senator FRIST and Majority Leader LOTT were instrumental in developing these proposals. Senator FRIST in particular has been out in front in the effort to bolster the role that regional jets play in the overall aviation system. As everyone who cares about the quality of air service knows, regional jets will be integral to expanding and improving service to small and medium-sized communities in the years to come.

Unfortunately, special interests worked to thwart our efforts and killed these provisions to encourage airline competition. Instead of delivering pro-consumer aviation legislation to the traveling public, Congress failed to act after some of the major airlines applied pressure against these proposals that threatened their lock on the market.

On the same day that the Senate approved the bill by a vote of 92 to one, we also appointed conferees. Although the House approved its own FAA reauthorization bill in August of last year, the leadership failed to appoint conferees. As a result, the two chambers were never given an opportunity to reconcile the two bills. Congress was then forced to include a short-term reauthorization of the AIP in the Omnibus Appropriations Act for fiscal year 1999. This was a clear failure on the part of the 105th Congress.

The text of the bill I am introducing today is nearly identical to the FAA reauthorization bill that the Senate approved overwhelmingly last year. The only changes that have been made involve a few purely technical corrections and removal of provisions that have already been enacted into law.

In last year's Omnibus Appropriations Act, we reauthorized the AIP for six months so that this Congress would have to act immediately to complete the work of the last Congress. The AIP is set to expire on March 31, 1999. With the introduction of this bill, I am fulfilling my commitment to continue the

reauthorization process where the last Congress left off in a time frame that ensures the continuation of the federal airport grant program.

I plan to hold a hearing on this bill and to mark it up as soon as possible. The heavy lifting has already been done. The bill may undergo some revisions, especially considering our good fortune to have Senator ROCKEFELLER appointed as the new ranking member on the Aviation Subcommittee. Even so, it will not be necessary for us to start from scratch. As the Commerce Committee begins this effort, I look forward to working again with Senators GORTON, HOLLINGS, and ROCKEFELLER, as well as the rest of my colleagues, on a reauthorization package that all Senators can support.

Mr. President, we must work over the next few months to finish the job we started last year. It is vital that we push forward with the important pro-consumer provisions that are included in this bill. Last year, consumers lost out to special interests. This year, I will use all means at my disposal to ensure that does not happen again.

Mr. ROCKEFELLER. Mr. President, today, I join with Senator MCCAIN, Senator HOLLINGS and others in introducing legislation to authorize spending for the Federal Aviation Administration (FAA) through fiscal year 2000. As we embark on this new session of a new Congress, it is critical that we begin immediately the process of putting together a comprehensive aviation bill—to ensure that the FAA is fully authorized, to facilitate continued critical airport development, and to address a number of broad aviation policy matters.

I want to make clear at the outset that I join as a cosponsor of this bill as a starting point. Senator MCCAIN plans to pursue vigorously a comprehensive bill, and that will be our first order of business, but haste may not allow us to do all that we want and have a responsibility to do, particularly if the House continues to pursue its own clean, 6-month reauthorization bill, and then a long-term bill. I am hopeful that we will accomplish our objectives expeditiously, but I see any number of hurdles in our path and believe that in the Senate, too, we may need to pursue a short-term extension and then give this legislation the consideration it is due.

As my colleagues know, I have the honor in this Congress of following in the great foot steps of Wendell Ford, who served this body for 24 years, and served as Chairman and Ranking Member of the Aviation Subcommittee for as long as any of us can remember. In fact, the bill being introduced today, essentially the same bill that passed the Senate last year, honored the Senator by naming it the Wendell H. Ford Air Transportation Safety Improvement Act, at the unanimously-endorsed suggestion of Senator TED STEVENS.

In stepping into Senator Ford's shoes, I aim to ensure not only that the aviation needs of West Virginia and other rural states and communities are secured, but also that the needs of the nation and of my colleagues' constituents are addressed. Certainly there will be competing interests and sometimes conflicts, but we all must and share in the fundamental responsibility to maintain safety in the skies, to support fully the needs of the aviation system and modernization effort, to ensure that the industry provides the service our constituents demand and deserve, to facilitate stable funding sources for our airports, and to be vigilant in opening up markets for our air carriers worldwide. These are all daunting tasks but we are up to the challenge, and I look forward to working with the Chairman, and members of the Committee in crafting an aviation bill that we can all take pride in.

The bill before you is a place to begin our discussion.

Last year, the Congress was able to pass only a six-month extension of the Airport Improvement Program (AIP), effectively freezing half of the $1.95 billion allocated to the program. Absent a reauthorization, our airports and our constituents may lose the ability to upgrade a runway or start an expansion project that facilitates new business opportunities for our communities—all because we're having trouble figuring out a way out of the box we are in. Senator MCCAIN's resolve notwithstanding, our House counterparts have already favorably reported a clean, 6-month extension of the program. Even if we can reach agreement about our immediate needs, I do not want the Senate to pass a bill only to see the program lapse because our House colleagues refuse to consider anything other than a clean, short-term extension, before the March deadline, saving the major issues and a long-term bill for later in the year. The blame-game that would ensue would only harm the citizens who sent us here. We can get more slots, we can work to improve service to small communities, we can make sure the FAA has the ability to move forward with its modernization plans, but it will not happen overnight.

Let me give you but one example. Senator GORTON last year offered an amendment in the Commerce Committee that would have raised the passenger facility charge (PFC) from $3 per enplanement to $4. I supported Senator GORTON. I expect that he will again try to raise the PFC, and the Administration has indicated that they will propose an increase as well. This is a tough issue, pitting the carriers against the airports, and letting some claim that it is a new tax. However, another dollar could get us a lot more capacity at our nation's airports.

In front of us are the daunting future needs of the aviation system. All of the projections show that we will have 300 million more passengers by the year 2009. As much as I would like them all to flow through West Virginia, I know that all of our airports will face constraints—money is tight, and a PFC increase will help. How the PFC is structured, the types of controls possible, and what they are used for, are all difficult choices, and I want to work with the airports and the carriers to try to resolve this issue in a balanced way.

The air traffic control system also needs to be revamped. It is a complex system and each new system requires changes in the cockpit, new procedures and new avionics—change, therefore, that cannot happen overnight. GAO recently reported that the FAA is making progress, changing the way it does business and working with the industry to figure out what is needed. GAO also reports that the FAA will need $17 billion to complete the modernization effort. Without that degree of funding, we may not be able to get all we want—new computers, new ways to move aircraft, and more capacity to make the system safer. According to the National Civil Aviation Review Commission, unless we address this problem, we are facing gridlock in the skies.

So, funding of the FAA is a critical, critical matter. I know Congressman SHUSTER wants to take the Airport and Airways Trust Fund off budget, but what I found last year is that the offset for taking trust funds can be devastating to totally unrelated programs. Right now, I know that the FAA is supported not only by the Trust Fund revenues, but also a large contribution from the general fund, which should be continued in recognition of the important public benefits provided by aviation.

Finally, I know that the administration will be submitting its legislative proposal to us within the next few weeks. We need to take a careful look at those recommendations, and sit down with Secretary Slater and Administrator Garvey to develop a blueprint for the future. We have an opportunity this year to make some real changes. I do not want it to pass us by.

Mr. HOLLINGS. Mr. President: As the 106th Congress begins, we have to address unfinished business first. As many Senators know, the vitally important legislation to reauthorize the Federal Aviation Administration (FAA) and the Airport Improvement Program (AIP) passed in September by a vote of 92–1. For a variety of reasons negotiations between the House and Senate unfortunately resulted in only a 6-month extension, expiring at the end of March of this year.

The bill being introduced today is an effort to reauthorize the programs of the Federal Aviation Administration

for two years. In today's global economy, adequate airport facilities are a critical component of any economic development program. The FAA's Airport Improvement Program plays a central role in ensuring that communities have adequate airport facilities. For FY 1998, the FAA received $1.9 billion. For FY 1999, the FAA would have received $1.95 billion. Instead, the agency will receive only half of that amount, unless we pass either a short term bill or a long term extension of the program. One course we know can work quickly. The other course is more challenging.

While it is critically important that we work together to pass this vital legislation, I do want to raise an issue of fundamental importance. That is truth in budgeting. I have supported taking trust funds out of the unified Federal budget for many years. This year, there may be an opportunity to actually make it happen. What is good for highways is good for aviation. At the end of FY 1998, the Airport and Airway Trust Fund uncommitted surplus was $4.339 billion, according to the Congressional Budget Office. It is projected to rise to $13.419 billion by the end of FY 2000 and to $79.325 billion by FY 2008. We are collecting the taxes, but are not giving people what they expect, what they paid for, or what they deserve.

We know that the FAA needs money to buy new computers and to use satellite technology. We can take it from the existing revenues, while continuing the general fund contribution, or we can limp along, giving the FAA a portion of what we all know it needs. If we do that there are consequences, and the fault is ours, not the agency's. It is that simple.

There are difficult problems facing the 106th Congress. Our constituents are demanding reasonable fares. Competition can work well to give us reasonable fares, but it has also created unfortunate anomalies. Look around the country—in the 1980's, the Department of Transportation approved every single merger that was proposed. Now we have a consolidated industry, with the big 3 air carriers accounting for nearly 55–60% of the market, and the Northwest-Continental alliance accounting for another 16–17%.

Over the years, I have asked the General Accounting Office to look at fares at small and medium hubs, places like Charleston, S.C. They reported that fares were in fact higher, on average at Charleston, at Greenville, and many other small communities. Last week, the Department of Transportation reported that Charleston had the 5th highest air fares in the country. I did not realize we were 5th, a dubious honor, but I knew they were high. We have a deregulated air transportation system, dependent upon mega-carriers for service, and beholden to them on fares. Without a hub system aggregating traffic, small communities would not receive the service they do today. Yet, the same ability allows the carriers to place the small towns at their mercy. Our economy and ability to grow, to attract new businesses, are now highly dependent upon those same carriers. A low cost carrier may come into a market, cause a ripple in lowering the fares, and then be driven out. We had that with Air South. Getting service to one of the four slot-controlled airports, while important for that route, will not result in lower air fares for the rest of the markets. The average may drop overall, but the statistics do not then tell the real story. Determining how we address this problem will be difficult, but it must be done.

There also are a number of issues important to aviation employees and others that must be addressed as we move through the legislative process. For example, issues involving foreign repair stations must be examined, and the bill includes a task force to address this issue. FAA employees must once again be granted access to the Merit System Protection Board and a Universal Access System must be authorized. Whistle-blower protection is another important issue. I look forward to working with Chairman MCCAIN, Chairman GORTON, and Ranking Member ROCKEFELLER toward meeting these objectives and ensuring that our final product is a bill that enjoys the broad support of the aviation community.

The comprehensive bill I am co-sponsoring today may not be completed for many months, and we may have to pass a short term extension to make sure that the money for airports does not get tied up. Nevertheless, I know that the Chairman is anxious to get us all moving, so let the debate begin and let us move forward expeditiously in order to fund these critically important programs.

Mr. BRYAN. Mr. President, I am pleased to join Chairman MCCAIN today as a cosponsor of the Air Transportation Improvement Act. As Senator MCCAIN has indicated, this legislation is exactly the same as legislation approved by the Senate last year by a vote of 99–1.

Passing legislation to extend the Airport Improvement Program needs to be among our highest priorities for early action in this Congress. While I do not support every provision of this legislation, it was a reasonable compromise, which enjoyed nearly unanimous support in the Senate last year. As pressure continues to increase on our national aviation system, and with the looming Y2K problem, we need to act quickly to ensure continued improvements in air safety and efficiency.

One provision of this legislation of particular interest to me, and many others, is the provision related to the Reagan Washington National Airport ''perimeter rule.''

Codified in 1986, the National ''perimeter rule'' limits non-stop flights serving National to destinations within 1250 miles of the airport. Originally enacted to promote the development of Dulles Airport as the region's long-haul carrier, the ''perimeter rule'' has long outlived its original justification, and remains today a significant barrier to competition in a very competitive aviation industry.

While the justification for the ''perimeter rule'' has long since faded, it continues to unfairly limit service to communities outside of the 1250 mile perimeter. Communities like Las Vegas, a community that desperately needs additional air service, are denied access to a very significant airport. In addition, air carriers which happen to operate hubs located outside of the perimeter face a very serious competitive disadvantage. On numerous occasions, the General Accounting Office has identified the ''perimeter rule'' as a barrier to entry in the Washington, DC air service market.

Simply put, the ''perimeter rule'' should be repealed. Nevadans, and other Westerners, deserve the same access to our nation's capital city as those in the East. Continuing this discriminatory, artificial barrier to competition creates major inequities in our national transportation system.

The legislation we are introducing today, unfortunately, does not repeal the ''perimeter rule.'' Instead, like the legislation passed last year by the Senate, the legislation grants limited exemptions from the perimeter rule for up to 12 additional slots a day at Washington National. Last year, in the interest of compromise, I supported this approach. I continue to be concerned, however, that the 12 new, outside the perimeter slots, if enacted, will be insufficient to truly address the competitive problems created by the ''perimeter rule.'' While I support Chairman MCCAIN's attempt to reach consensus on this issue, I am hopeful that last year's approach can be further refined to create additional opportunities for Washington National service from beyond the 1250 mile perimeter, while at the same time recognizing the interests of those communities within the current perimeter, as well as Northern Virginia.

I look forward to working with the Chairman, and other members of the Commerce Committee, on this important legislation.

By Ms. SNOWE:

S. 90. A bill to establish reform criteria to permit payment of United States arrearages in assessed contributions to the United Nations; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 91. A bill to restrict intelligence sharing with the United Nations; to the Committee on Foreign Relations.

UNITED NATIONS REFORM LEGISLATION

Ms. SNOWE. Mr. President, today I am submitting two pieces of legislation to address some of the most critical issues affecting our relations with the United Nations—the U.S. arrearage in financial contributions to the United Nations, and sharing of intelligence information with the U.N.

The first bill, the United Nations Reform Act is a bill that I have been working on for several years beginning in my former capacity as chair of the Foreign Relations Subcommittee on International Operations. With the United Nations now entering its second half-century, the question being raised is not whether the United Nations can continue its growth for another 50 years, but whether it can survive as an important international institution in the short term.

I believe we must genuinely restore a bipartisan consensus on the United Nations within Congress and among the American people. That is the intent of this legislation, which sets reasonable and achievable reform criteria for the United Nations, linked to a 5-year repayment plan for the arrearages that have built up on the U.N. system.

The plan would set up a five-step/five-year process under which the President would each year have to certify that specific reform guideposts have been met at the United Nations, permitting payment each year of one-fifth of outstanding U.S. arrearages.

In the first year, the President would have to certify that a hard freeze zero nominal growth budget at the United Nations had been maintained and that budgetary transparency at the world body had been enhanced through opening up the United Nations to member State auditing and fully funding the new U.N. inspector general office.

In the second year, the President would have to certify that U.S. representation had been restored to a key U.N. budgetary oversight body the Advisory Committee on Administrative and Budgetary Questions [ACABQ].

In the third year, the President would have to certify that a long-standing U.N. peacekeeping reform goal had been achieved. This reform would ensure that the United States receives full credit or reimbursement for the very substantial logistical and in-kind support our military provides to assessed U.N. peacekeeping missions.

In the fourth year, the President would have to certify that a significant reform in the United Nations' budget process had been achieved. This reform would be to divide the U.N. regular budget into an assessed core budget and a voluntary program budget. The source of much of the United Nations' problems stems from the fact that the United Nations' assessed budget is increasingly used for development programs and other activities that should not be included in our mandatory dues for membership. This reform can be achieved without a revision in the U.N. Charter.

Finally, in the fifth year the President would have to certify that a major U.N. consolidation plan has been approved and implemented. This plan must entail a significant reduction in staff and an elimination of the rampant duplication, overlap, and lack of coordination that exists throughout the U.N. system.

Clearly, there is an urgent need to turn around the United Nations' dangerous slide into constant crisis, which could ultimately threaten the organization's usefulness as an important tool for addressing world problems. I am convinced that this can only be achieved through the kind of bold reform agenda that is set forth in this legislation.

Mr. President, I believe it is useful for us to look back on the original purpose of the United Nations, as it was envisioned 51 years ago. The United Nations was created from the ashes of World War II, with the hope of avoiding future world-wide conflagrations through international cooperation. The main focus for this mission was the Security Council, the only entity empowered under the U.N. Charter to act on the great questions of world peace. The General Assembly was intended to be a forum for debate on any issue that any nation wanted to bring before the assembled nations of the world. The U.N. Secretariat was to be a small professional staff needed to support the activities of the Security Council and General Assembly.

The U.N. system was also to conduct specific activities in technical cooperation, such as those undertaken by the International Civil Aviation Organization and the International Telecommunications Union. Finally, the United Nations was to have an important role in responding to international humanitarian crises. Most critical is the work of the U.N. High Commissioner for Refugees, who today protects millions of the world's most vulnerable men, women, and children—particularly women and children, who comprise 80 percent of the world's refugees.

Regrettably, the United Nations system that exists today falls short of the intentions of its founders. There are two interrelated, fundamental problems with the U.N. system. One is that there are those who attempted to use the world organization to advance agendas that frankly do not reflect world realities. The more the United Nations is used to transcend what some see as the harsh realities of the world and its Nation-State system, the less relevant the United Nations becomes to the real world in which we all live.

Closely related has been the massive and uncoordinated growth of the United Nations and its specialized agencies. The U.N. General Assembly and its related bodies in the specialized agencies have used the tool of the budget to grow the U.N. bureaucracy far beyond what is needed to respond to real world problems. The small professional staff of the U.N. Secretariat now approaches 18,000—counting the proliferation of consultants and contract employees—and the staff of the U.N. system worldwide now exceeds 53,000.

Too many nations simply do not find a compelling need for efficiency and budgetary restraint in the U.N. system. Of the U.N.'s 185 member nations, a near-majority are assessed at the minimum .01 percent rate, paying essentially nothing toward U.N. budget. The top ten assessed countries—United States, Japan, Germany, France, Russia, Britain, Italy, Canada, Spain and Brazil—are billed for almost 80 percent of the U.N. budget, with the United States paying more than any other country. In just 10 years of supposed zero-growth budgets, the U.N.'s budget doubled. Over the last two decades, the U.N.'s budget has tripled.

There are those who argue that all of the U.N.'s problems come from the United States. But the United Nation's difficulties with the United States arise from these deeply rooted problems within the U.N. structure itself. Even many supporters of the United Nations have characterized today's U.N. system as bloated, inefficient, duplicative, and disorganized. For instance, Canadian businessman and six-time U.N. Under-Secretary-General Maurice Strong has stated that the United Nations could work better than it does today with less than half as many people.

The surprising thing is that among serious analysts of the United Nations there is remarkable agreement on what needs to be done. The U.N. system needs to be significantly reduced in size and needs true consolidation among its far-flung, duplicative elements. The budget process needs similarly dramatic reform. The United Nations needs to concentrate on a few key achievable missions—security, humanitarian relief, purely technical cooperation—and refrain from its proliferating exercises in internal nation-building and grandiose missions of global norm-setting. All of these basic reform needs have been addressed in the U.N. reform legislation I am introducing today.

This legislation, I believe, will go a long way toward setting a new course in our relations with the United Nations. If we in Congress fail to rise to the challenge; if the U.N. attempts to defend an unsustainable status quo; if the Administration's new foreign policy team does not reach out to Congress to achieve a genuine bipartisan consensus on the need for U.N. reform; if the U.N.'s dangerous slide to expensive irrelevance continues, then we will

have lost a unique opportunity for reform. If this should happen, it is not at all clear to me whether such an opportunity will soon return.

As a complement to my U.N. reform bill, I am also introducing this U.N.-related bill which I sponsored in the last two Congresses to protect U.S. intelligence information which is shared with the United Nations or any of its affiliated organizations by requiring that procedures for protecting intelligence sources and methods are in place at the United Nations that are at least as stringent as those maintained by countries with which the United States regularly shares similar types of information. This requirement may be waived by the President for national security purposes but only on a case by case basis and only when all possible measures for protecting the information have been taken.

This legislation grew out of my concern about reports of breaches of U.S. classified material by the United Nations in 1993, 1994, and in 1995 when the United Nations pulled out of Somalia. I am pleased to note that some attention has been paid by this body to the problems that can result when U.S. intelligence information is shared with international bodies. Condition 5 of the resolution of ratification for the Chemical Weapons Convention, which protects U.S. intelligence shared with the Organization for the Protection of Chemical Weapons, was based on my intelligence-sharing legislation.

This legislation, I believe, will go a long way toward addressing the problems we have witnessed in the past concerning intelligence information sharing with the U.N.

Mr. President, I urge my colleagues to consider the legislation I am introducing today as the best course for restoring the bipartisan consensus in this country on the United Nations. I urge my colleagues to join me in supporting this legislation.

By Mr. DOMENICI (for himself, Mr. THOMPSON, Mr. LIEBERMAN, Mr. THOMAS, Ms. SNOWE, Mr. ROTH, Mr. GRASSLEY, Mr. GRAMM, Mr. NICKLES, Mr. ABRAHAM, Mr. FRIST, Mr. GRAMS, Mr. SMITH or Oregon, Mr. MCCAIN, Mr. KYL, Mr. LUGAR, and Ms. COLLINS):

S. 92. A bill to provide for biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

BIENNIAL BUDGETING AND APPROPRIATIONS ACT

Mr. DOMENICI. Mr. President, on behalf of Senator THOMPSON, the distinguished Chairman of the Governmental Affairs Committee, Senator LIEBERMAN, the distinguished Ranking Member of the Governmental Affairs Committee and 13 other Senators, I rise to introduce the ''Biennial Budget and Appropriations Act,'' a bill to convert the budget and appropriations process to a two-year cycle and to enhance oversight of federal programs.

Mr. President, our most recent experience with the Omnibus Consolidated and Emergency Supplemental Appropriations Act shows the need for a biennial appropriations and budget process. That one bill clearly demonstrated Congress is incapable of completing the budget, authorizing, and appropriations process on an annual basis. That 4,000 paged bill contained 8 of the regular appropriations bills, $9 billion in revenue provisions, $21.4 billion in ''emergency'' spending, and 40 miscellaneous funding and authorization provisions.

Congress should now act to streamline the system by moving to a two-year, or biennial, budget process. This is the most important reform we can enact to streamline the budget process, to make the Senate a more deliberative and effective institution, and to make us more accountable to the American people.

Mr. President, moving to a biennial budget and appropriations process enjoys very broad support. President Clinton supports this bill. Presidents Reagan and Bush also proposed a biennial appropriations and budget cycle. Leon Panetta, who served as White House Chief of Staff, OMB Director, and House Budget Committee Chairman, has advocated a biennial budget since the late 1970s. Former OMB and CBO Director Alice Rivlin has called for a biennial budget the past two decades. Both of the Senate Leaders support this legislation. And, at the end of last year, 37 Senators wrote our two Senate Leaders calling for quick action to pass legislation to convert the budget and appropriations process to a two-year cycle.

The most recent comprehensive studies of the federal government and the Congress have recommended this reform. The Vice President's National Performance Review and the 1993 Joint Committee on the Reorganization of Congress both recommended a biennial appropriations and budget cycle.

A biennial budget will dramatically improve the current budget process. The current annual budget process is redundant, inefficient, and destined for failure each year. Look at what we struggle to complete each year under the current annual process. The annual budget process consumes three years: one year for the Administration to prepare the President's budget, another year for the Congress to put the budget into law, and the final year to actually execute the budget.

Today, I want to focus just on the Congressional budget process, the process of annually passing a budget resolution, authorization legislation, and 13 appropriation bills. The record clearly shows that last year's experience was nothing new. Under the annual process, we consistently fail to complete action on the 13 appropriations bills, to authorize programs, and to meet our deadlines.

Since 1950 Congress has only twice met the fiscal year deadline for completion of all thirteen individual appropriations bills to fully fund the government.

The Congressional Budget Office's recent report on unauthorized appropriations shows that for fiscal year 1999, 118 laws authorizing appropriations have expired. These laws cover over one-third or $102.1 billion of appropriations for non-defense programs. Another 10 laws authorizing non-defense appropriations will expire at the end of fiscal year 1997, representing $10.4 billion more in unauthorized non-defense programs.

We have met the statutory deadline to complete a budget resolution only three times since 1974. In 1995, we broke the Senate record for the most roll call votes cast in a day on a budget reconciliation bill. The Senate conducted 39 consecutive roll call votes that day, beginning at 9:29 in the morning and finishing up at 11:59 that night.

While we have made a number of improvements in the budget process, the current annual process is redundant and inefficient. The Senate has the same debate, amendments and votes on the same issue three or four times a year—once on the budget resolution, again on the authorization bill, and finally on the appropriations bill.

I recently asked the Congressional Research Service (CRS) to update and expand upon an analysis of the amount of time we spend on the budget. CRS looked at all votes on appropriations, revenue, reconciliation, and debt limit measures as well as budget resolutions. CRS then examined any other vote dealing with budgetary levels, Budget Act waivers, or votes pertaining to the budget process. Beginning with 1980, budget related votes started dominating the work of the Senate. In 1996, 73 percent of the votes the Senate took were related to the budget.

If we cannot adequately focus on our duties because we are constantly debating the budget in the authorization, budget, and appropriations process, just imagine how confused the American public is about what we are doing. The result is that the public does not understand what we are doing and it breeds cynicism about our government.

Under the legislation I am introducing today, the President would submit a two-year budget and Congress would consider a two-year budget resolution and 13 two-year appropriation

bills during the first session of a Congress. The second session of the Congress would be devoted to consideration of authorization bills and for oversight of government agencies.

Most of the arguments against a biennial budget process will come from those who claim we cannot predict or plan on a two year basis. For most of the budget, we do not actually budget on an annual basis. Our entitlement and revenue laws are under permanent law and Congress does not change these law on an annual basis. The only component of the budget that is set in law annually are the appropriated, or discretionary, accounts.

Mr. President, the most predictable category of the budget are these appropriated, or discretionary, accounts of the federal government. I recently asked CBO to update an analysis of discretionary spending to determine those programs that had unpredictable or volatile funding needs. CBO found that only 4 percent of total discretionary funding fell into this category. Most of this spending is associated with international activities or emergencies. Because most of this funding cannot be predicted on an annual basis, a biennial budget is no less deficient than the current annual process. My bill does not preclude supplemental appropriations necessary to meet these emergency or unanticipated requirements.

Mr. President, in 1993 I had the honor to serve as co-Chairman on a Joint Committee that studied the operations of the Congress. Senator BYRD testified before that Committee that the increasing demands put on us as Senators has led to our ''fractured attention.'' We simply are too busy to adequately focus on the people's business. This legislation is designed to free up time and focus our attention, particularly with respect to the oversight of federal programs and activities.

Frankly, the limited oversight we are now doing is not as good as it should be. We have a total of 34 House and Senate standing authorizing committees and these committees are increasingly crowded out of the legislative process. Under a biennial budget, the second year of the biennium will be exclusively devoted to examining federal programs and developing authorization legislation. The calendar will be free of the budget and appropriations process, giving these committees the time and opportunity to provide oversight, review and legislate changes to federal programs. Oversight and the authorization should be an ongoing process, but a biennial appropriations process will provide greater opportunity for legislators to concentrate on programs and policies in the second year.

We also build on the oversight process by incorporating the new requirements of the Government Performance and Results Act of 1993 into the biennial budget process. The primary objective of this law is to force the federal government to produce budgets focused on outcomes, not just dollars spent.

Mr. President, a biennial budget cannot make the difficult decisions that must be made in budgeting, but it can provide the tools necessary to make much better decisions. But, under the current annual budget process we are constantly spending the taxpayers' money instead of focusing on how best and most efficiently we should spend the taxpayers' money. By moving to a biennial budget cycle, we can plan, budget, and appropriate more effectively, strengthen oversight and watchdog functions, and improve the efficiency of government agencies.

Mr. President, I ask unanimous consent that a description of the Biennial Budgeting and Appropriations Act be made a part of the RECORD along with a copy of the bill.

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

S. 92

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 ''Biennial Budgeting and Appropriations Act''.

SEC. 2. REVISION OF TIMETABLE.

Section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

''TIMETABLE

''SEC. 300. (a) IN GENERAL.—Except as provided by subsection (b), the timetable with respect to the congressional budget process for any Congress (beginning with the One Hundred Seventh Congress) is as follows:

''First Session

''On or before:	Action to be completed:
First Monday in February	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after budget submission.	Committees submit views and estimates to Budget Committees.
April 1	Budget Committees report concurrent resolution on the biennial budget.
May 15	Congress completes action on concurrent resolution on the biennial budget.
May 15	Biennial appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last biennial appropriation bill.
June 30	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.

''Second Session

''On or before:	Action to be completed:
February 15	President submits budget review.
Not later than 6 weeks after President submits budget review.	Congressional Budget Office submits report to Budget Committees.
The last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.

''(b) SPECIAL RULE.—In the case of any first session of Congress that begins in any year immediately following a leap year and during which the term of a President (except a President who succeeds himself) begins, the following dates shall supersede those set forth in subsection (a):

''First Session

''On or before:	Action to be completed:
First Monday in April	President submits budget recommendations.
April 20	Committees submit views and estimates to Budget Committees.
May 15	Budget Committees report concurrent resolution on the biennial budget.
June 1	Congress completes action on concurrent resolution on the biennial budget.
July 1	Biennial appropriation bills may be considered in the House.
July 20	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.''.

SEC. 3. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

(a) DECLARATION OF PURPOSE.—Section 2(2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621(2)) is amended by striking ''each year'' and inserting ''biennially''.

(b) DEFINITIONS.—

(1) BUDGET RESOLUTION.—Section 3(4) of such Act (2 U.S.C. 622(4)) is amended by striking ''fiscal year'' each place it appears and inserting ''biennium''.

(2) BIENNIUM.—Section 3 of such Act (2 U.S.C. 622) is further amended by adding at the end the following new paragraph:

''(11) The term 'biennium' means the period of 2 consecutive fiscal years beginning on October 1 of any odd-numbered year.''.

(c) BIENNIAL CONCURRENT RESOLUTION ON THE BUDGET.—

(1) CONTENTS OF RESOLUTION.—Section 301(a) of such Act (2 U.S.C. 632(a)) is amended—

(A) in the matter preceding paragraph (1) by—

(i) striking ''April 15 of each year'' and inserting ''May 15 of each odd-numbered year'';

(ii) striking ''the fiscal year beginning on October 1 of such year'' the first place it appears and inserting ''the biennium beginning on October 1 of such year''; and

(iii) striking ''the fiscal year beginning on October 1 of such year'' the second place it appears and inserting ''each fiscal year in such period'';

(B) in paragraph (6), by striking ''for the fiscal year'' and inserting ''for each fiscal year in the biennium''; and

(C) in paragraph (7), by striking ''for the first fiscal year'' and inserting ''for each fiscal year in the biennium''.

(2) ADDITIONAL MATTERS.—Section 301(b)(3) of such Act (2 U.S.C. 632(b)) is amended by striking ''for such fiscal year'' and inserting ''for either fiscal year in such biennium''.

(3) VIEWS OF OTHER COMMITTEES.—Section 301(d) of such Act (2 U.S.C. 632(d)) is amended by inserting ''(or, if applicable, as provided by section 300(b))'' after ''United States Code''.

(4) HEARINGS.—Section 301(e)(1) of such Act (2 U.S.C. 632(e)) is amended by—

(A) striking ''fiscal year'' and inserting ''biennium''; and

(B) inserting after the second sentence the following: ''On or before April 1 of each odd-numbered year (or, if applicable, as provided by section 300(b)), the Committee on the Budget of each House shall report to its House the concurrent resolution on the budget referred to in subsection (a) for the biennium beginning on October 1 of that year.''.

(5) GOALS FOR REDUCING UNEMPLOYMENT.—Section 301(f) of such Act (2 U.S.C. 632(f)) is amended by striking ''fiscal year'' each place it appears and inserting ''biennium''.

(6) ECONOMIC ASSUMPTIONS.—Section 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is amended by striking ''for a fiscal year'' and inserting ''for a biennium''.

(7) SECTION HEADING.—The section heading of section 301 of such Act is amended by striking ''**ANNUAL**'' and inserting ''**BIENNIAL**''.

(8) TABLE OF CONTENTS.—The item relating to section 301 in the table of contents set forth in section 1(b) of such Act is amended by striking ''Annual'' and inserting ''Biennial''.

(d) COMMITTEE ALLOCATIONS.—Section 302 is amended—

(1) in subsection (a)(1) by striking ''for the first fiscal year of the resolution,'' and inserting ''for each fiscal year in the biennium, for at least each of 4 ensuing fiscal years,'';

(2) in subsection (f)(1), by striking ''for a fiscal year'' and inserting ''for a biennium'';

(3) in subsection (f)(1), by striking ''first fiscal year'' and inserting ''each fiscal year of the biennum'';

(4) in subsection (f)(2)(A), by striking ''first fiscal year'' and inserting ''each fiscal year of the biennium''; and

(5) in subsection (g)(1)(A), by striking ''April'' and inserting ''May''.

(e) SECTION 303 POINT OF ORDER.—

(1) IN GENERAL.—Section 303(a) of such Act (2 U.S.C. 634(a)) is amended by striking ''first fiscal year'' and inserting ''each fiscal year of the biennium''.

(2) EXCEPTIONS IN THE HOUSE.—Section 303(b)(1) of such Act (2 U.S.C. 634(b)) is amended—

(A) in subparagraph (A), by striking ''the budget year'' and inserting ''the biennium''; and

(B) in subparagraph (B), by striking ''the fiscal year'' and inserting ''the biennium''.

(3) APPLICATION TO THE SENATE.—Section 303(c)(1) of such Act (2 U.S.C. 634(c)) is amended by—

(A) striking ''fiscal year'' and inserting ''biennium''; and

(B) striking ''that year'' and inserting ''each fiscal year of that biennium''.

(f) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304(a) of such Act (2 U.S.C. 635) is amended—

(1) by striking ''fiscal year'' the first two places it appears and inserting ''biennium'';

(2) by striking ''for such fiscal year''; and

(3) by inserting before the period ''for such biennium''.

(g) PROCEDURES FOR CONSIDERATION OF BUDGET RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C. 636(b)(3)) is amended by striking ''fiscal year'' and inserting ''biennium''.

(h) COMPLETION OF HOUSE ACTION ON APPROPRIATION BILLS.—Section 307 of such Act (2 U.S.C. 638) is amended—

(1) by striking ''each year'' and inserting ''each odd-numbered year'';

(2) by striking ''annual'' and inserting ''biennial'';

(3) by striking ''fiscal year'' and inserting ''biennium''; and

(4) by striking ''that year'' and inserting ''each odd-numbered year''.

(i) COMPLETION OF ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 640) is amended—

(1) by inserting ''of any odd-numbered calendar year'' after ''July'';

(2) by striking ''annual'' and inserting ''biennial''; and

(3) by striking ''fiscal year'' and inserting ''biennium''.

(j) RECONCILIATION PROCESS.—Section 310(a) of such Act (2 U.S.C. 641(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''any fiscal year'' and inserting ''any biennium''; and

(2) in paragraph (1) by striking ''such fiscal year'' each place it appears and inserting ''any fiscal year covered by such resolution''.

(k) SECTION 311 POINT OF ORDER.—

(1) IN THE HOUSE.—Section 311(a)(1) of such Act (2 U.S.C. 642(a)) is amended—

(A) by striking ''for a fiscal year'' and inserting ''for a biennium'';

(B) by striking ''the first fiscal year'' each place it appears and inserting ''either fiscal year of the biennium''; and

(C) by striking ''that first fiscal year'' and inserting ''each fiscal year in the biennium''.

(2) IN THE SENATE.—Section 311(a)(2) of such Act is amended—

(A) by striking ''for the first fiscal year'' and inserting ''for either fiscal year of the biennium''; and

(B) by striking ''that first fiscal year'' each place it appears and inserting ''each fiscal year in the biennium''.

(3) SOCIAL SECURITY LEVELS.—Section 311(a)(3) of such Act is amended by—

(A) striking ''for the first fiscal year'' and inserting ''each fiscal year in the biennium''; and

(B) striking ''that fiscal year'' and inserting ''each fiscal year in the biennium''.

(l) MDA POINT OF ORDER.—Section 312(c) of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended—

(1) by striking ''for a fiscal year'' and inserting ''for a biennium'';

(2) in paragraph (1), by striking ''first fiscal year'' and inserting ''either fiscal year in the biennium'';

(3) in paragraph (2), by striking ''that fiscal year'' and inserting ''either fiscal year in the biennium''; and

(4) in the matter following paragraph (2), by striking ''that fiscal year'' and inserting ''the applicable fiscal year''.

SEC. 4. PAY-AS-YOU-GO IN THE SENATE.

Subparagraphs (A), (B), and (C) of section 202(b)(2) of House Concurrent Resolution 67 (104th Congress) are amended to read as follows:

''(A) The period of the biennium covered by the most recently adopted concurrent resolution on the budget.

''(B) The period of the first six fiscal years covered by the most recently adopted concurrent resolution on the budget.

''(C) The period of the four fiscal years following the first six fiscal years covered by the most recently adopted concurrent resolution on the budget.''.

SEC. 5. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) DEFINITION.—Section 1101 of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

''(3) 'biennium' has the meaning given to such term in paragraph (11) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).''.

(b) BUDGET CONTENTS AND SUBMISSION TO THE CONGRESS.—

(1) SCHEDULE.—The matter preceding paragraph (1) in section 1105(a) of title 31, United States Code, is amended to read as follows:

''(a) On or before the first Monday in February of each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974), beginning with the One Hundred Seventh Congress, the President shall transmit to the Congress, the budget for the biennium beginning on October 1 of such calendar year. The budget transmitted under this subsection shall include a budget message and summary and supporting information. The President shall include in each budget the following:''.

(2) EXPENDITURES.—Section 1105(a)(5) of title 31, United States Code, is amended by striking ''the fiscal year for which the budget is submitted and the 4 fiscal years after that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years''.

(3) RECEIPTS.—Section 1105(a)(6) of title 31, United States Code, is amended by striking ''the fiscal year for which the budget is submitted and the 4 fiscal years after that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years''.

(4) BALANCE STATEMENTS.—Section 1105(a)(9)(C) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(5) FUNCTIONS AND ACTIVITIES.—Section 1105(a)(12) of title 31, United States Code, is amended—

(A) in subparagraph (A), by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''; and

(6) ALLOWANCES.—Section 1105(a)(13) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(7) ALLOWANCES FOR UNCONTROLLED EXPENDITURES.—Section 1105(a)(14) of title 31, United States Code, is amended by striking ''that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted''.

(8) TAX EXPENDITURES.—Section 1105(a)(16) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(9) FUTURE YEARS.—Section 1105(a)(17) of title 31, United States Code, is amended—

(A) by striking ''the fiscal year following the fiscal year'' and inserting ''each fiscal year in the biennium following the biennium'';

(B) by striking ''that following fiscal year'' and inserting ''each such fiscal year''; and

(C) by striking ''fiscal year before the fiscal year'' and inserting ''biennium before the biennium''.

(10) PRIOR YEAR OUTLAYS.—Section 1105(a)(18) of title 31, United States Code, is amended—

(A) by striking ''the prior fiscal year'' and inserting ''each of the 2 most recently completed fiscal years,'';

(B) by striking ''for that year'' and inserting ''with respect to those fiscal years''; and

(C) by striking ''in that year'' and inserting ''in those fiscal years''.

(11) PRIOR YEAR RECEIPTS.—Section 1105(a)(19) of title 31, United States Code, is amended—

(A) by striking ''the prior fiscal year'' and inserting ''each of the 2 most recently completed fiscal years'';

(B) by striking ''for that year'' and inserting ''with respect to those fiscal years''; and

(C) by striking ''in that year'' each place it appears and inserting ''in those fiscal years''.

(c) ESTIMATED EXPENDITURES OF LEGISLATIVE AND JUDICIAL BRANCHES.—Section 1105(b) of title 31, United States Code, is amended by striking ''each year'' and inserting ''each even-numbered year''.

(d) RECOMMENDATIONS TO MEET ESTIMATED DEFICIENCIES.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking ''the fiscal year for'' the first place it appears and inserting ''each fiscal year in the biennium for'';

(2) by striking ''the fiscal year for'' the second place it appears and inserting ''each

fiscal year of the biennium, as the case may be,''; and

(3) by striking ''that year'' and inserting ''for each year of the biennium''.

(e) CAPITAL INVESTMENT ANALYSIS.—Section 1105(e)(1) of title 31, United States Code, is amended by striking ''ensuing fiscal year'' and inserting ''biennium to which such budget relates''.

(f) SUPPLEMENTAL BUDGET ESTIMATES AND CHANGES.—

(1) IN GENERAL.—Section 1106(a) of title 31, United States Code, is amended—

(A) in the matter preceding paragraph (1), by—

(i) striking ''Before July 16 of each year,'' and inserting ''Before February 15 of each even numbered year,''; and

(ii) striking ''fiscal year'' and inserting ''biennium'';

(B) in paragraph (1), by striking ''that fiscal year'' and inserting ''each fiscal year in such biennium'';

(C) in paragraph (2), by striking ''4 fiscal years following the fiscal year'' and inserting ''4 fiscal years following the biennium''; and

(D) in paragraph (3), by striking ''fiscal year'' and inserting ''biennium''.

(2) CHANGES.—Section 1106(b) of title 31, United States Code, is amended by—

(A) striking ''the fiscal year'' and inserting ''each fiscal year in the biennium'';

(B) striking ''April 11 and July 16 of each year'' and inserting ''February 15 of each even-numbered year''; and

(C) striking ''July 16'' and inserting ''February 15 of each even-numbered year.''.

(g) CURRENT PROGRAMS AND ACTIVITIES ESTIMATES.—

(1) IN GENERAL.—Section 1109(a) of title 31, United States Code, is amended—

(A) by striking ''On or before the first Monday after January 3 of each year (on or before February 5 in 1986)'' and inserting ''At the same time the budget required by section 1105 is submitted for a biennium''; and

(B) by striking ''the following fiscal year'' and inserting ''each fiscal year of such period''.

(2) JOINT ECONOMIC COMMITTEE.—Section 1109(b) of title 31, United States Code, is amended by striking ''March 1 of each year'' and inserting ''within 6 weeks of the President's budget submission for each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974)''.

(h) YEAR-AHEAD REQUESTS FOR AUTHORIZING LEGISLATION.—Section 1110 of title 31, United States Code, is amended by—

(1) striking ''May 16'' and inserting ''March 31''; and

(2) striking ''year before the year in which the fiscal year begins'' and inserting ''calendar year preceding the calendar year in which the biennium begins''.

SEC. 6. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE OF APPROPRIATIONS ACTS.

Section 105 of title 1, United States Code, is amended to read as follows:

''§ 105. Title and style of appropriations Acts

''(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: 'An Act making appropriations (here insert the object) for each fiscal year in the biennium of fiscal years (here insert the fiscal years of the biennium).'.

''(b) All Acts making regular appropriations for the support of the Government shall be enacted for a biennium and shall specify the amount of appropriations provided for each fiscal year in such period.

''(c) For purposes of this section, the term 'biennium' has the same meaning as in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).''.

SEC. 7. MULTIYEAR AUTHORIZATIONS.

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''AUTHORIZATIONS OF APPROPRIATIONS

''SEC. 316. (a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider—

''(1) any bill, joint resolution, amendment, motion, or conference report that authorizes appropriations for a period of less than 2 fiscal years, unless the program, project, or activity for which the appropriations are authorized will require no further appropriations and will be completed or terminated after the appropriations have been expended; and

''(2) in any odd-numbered year, any authorization or revenue bill or joint resolution until Congress completes action on the biennial budget resolution, all regular biennial appropriations bills, and all reconciliation bills.

''(b) APPLICABILITY.—In the Senate, subsection (a) shall not apply to—

''(1) any measure that is privileged for consideration pursuant to a rule or statute;

''(2) any matter considered in Executive Session; or

''(3) an appropriations measure or reconciliation bill.''.

(b) AMENDMENT TO TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 313 the following new item:

''Sec. 316. Authorizations of appropriations.''.

SEC. 8. GOVERNMENT PLANS ON A BIENNIAL BASIS.

(a) STRATEGIC PLANS.—Section 306 of title 5, United States Code, is amended—

(1) in subsection (a), by striking ''September 30, 1997'' and inserting ''September 30, 2000'';

(2) in subsection (b)—

(A) by striking ''at least every three years'' and inserting ''at least every 4 years''; and

(B) by striking ''five years forward'' and inserting ''six years forward''; and

(3) in subsection (c), by inserting a comma after ''section'' the second place it appears and adding ''including a strategic plan submitted by September 30, 1997 meeting the requirements of subsection (a)''.

(b) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Paragraph (28) of section 1105(a) of title 31, United States Code, is amended by striking ''beginning with fiscal year 1999, a'' and inserting ''beginning with fiscal year 2002, a biennial''.

(c) PERFORMANCE PLANS.—Section 1115 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in the matter before paragraph (1)—

(i) by striking ''section 1105(a)(29)'' and inserting ''section 1105(a)(28)''; and

(ii) by striking ''an annual'' and inserting ''a biennial'';

(B) in paragraph (1) by inserting after ''program activity'' the following: ''for both years 1 and 2 of the biennial plan'';

(C) in paragraph (5) by striking ''and'' after the semicolon,

(D) in paragraph (6) by striking the period and inserting a semicolon; and inserting ''and'' after the inserted semicolon; and

(E) by adding after paragraph (6) the following:

''(7) cover a 2-year period beginning with the first fiscal year of the next biennial budget cycle.'';

(2) in subsection (d) by striking ''annual'' and inserting ''biennial''; and

(3) in paragraph (6) of subsection (f) by striking ''annual'' and inserting ''biennial''.

(d) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Section 9703 of title 31, United States Code, relating to managerial accountability, is amended—

(1) in subsection (a)—

(A) in the first sentence by striking ''annual''; and

(B) by striking ''section 1105(a)(29)'' and inserting ''section 1105(a)(28)'';

(2) in subsection (e)—

(A) in the first sentence by striking ''one or'' before ''years'';

(B) in the second sentence by striking ''a subsequent year'' and inserting ''for a subsequent 2-year period''; and

(C) in the third sentence by striking ''three'' and inserting ''four''.

(e) PILOT PROJECTS FOR PERFORMANCE BUDGETING.—Section 1119 of title 31, United States Code, is amended—

(1) in paragraph (1) of subsection (d), by striking ''annual'' and inserting ''biennial''; and

(2) in subsection (e), by striking ''annual'' and inserting ''biennial''.

(f) STRATEGIC PLANS.—Section 2802 of title 39, United States Code, is amended—

(1) in subsection (a), by striking ''September 30, 1997'' and inserting ''September 30, 2000'';

(2) in subsection (b), by striking ''at least every three years'' and inserting ''at least every 4 years'';

(3) by striking ''five years forward'' and inserting ''six years forward''; and

(4) in subsection (c), by inserting a comma after ''section'' the second place it appears and inserting ''including a strategic plan submitted by September 30, 1997 meeting the requirements of subsection (a)''.

(g) PERFORMANCE PLANS.—Section 2803(a) of title 39, United States Code, is amended—

(1) in the matter before paragraph (1), by striking ''an annual'' and inserting ''a biennial'';

(2) in paragraph (1), by inserting after ''program activity'' the following: ''for both years 1 and 2 of the biennial plan'';

(3) in paragraph (5), by striking ''and'' after the semicolon;

(4) in paragraph (6), by striking the period and inserting ''; and''; and

(5) by adding after paragraph (6) the following:

''(7) cover a 2-year period beginning with the first fiscal year of the next biennial budget cycle.''.

(h) COMMITTEE VIEWS OF PLANS AND REPORTS.—Section 301(d) of the Congressional Budget Act (2 U.S.C. 632(d)) is amended by adding at the end ''Each committee of the Senate or the House of Representatives shall review the strategic plans, performance plans, and performance reports, required under section 306 of title 5, United States Code, and sections 1115 and 1116 of title 31, United States Code, of all agencies under the jurisdiction of the committee. Each committee may provide its views on such plans or reports to the Committee on the Budget of the applicable House.''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on March 1, 2000.

(2) AGENCY ACTIONS.—Effective on and after the date of enactment of this Act, each agency shall take such actions as necessary to prepare and submit any plan or report in accordance with the amendments made by this Act.

SEC. 9. BIENNIAL APPROPRIATIONS BILLS.

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended by adding at the end the following:

''CONSIDERATION OF BIENNIAL APPROPRIATIONS BILLS

''SEC. 317. It shall not be in order in the House of Representatives or the Senate in any odd-numbered year to consider any regular bill providing new budget authority or a limitation on obligations under the jurisdiction of any of the subcommittees of the Committees on Appropriations for only the first fiscal year of a biennium, unless the program, project, or activity for which the new budget authority or obligation limitation is provided will require no additional authority beyond 1 year and will be completed or terminated after the amount provided has been expended.''.

(b) AMENDMENT TO TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 313 the following new item:

''Sec. 317. Consideration of biennial appropriations bills.''.

SEC. 10. REPORT ON TWO-YEAR FISCAL PERIOD.

Not later than 180 days after the date of enactment of this Act, the Director of OMB shall—

(1) determine the impact and feasibility of changing the definition of a fiscal year and the budget process based on that definition to a 2-year fiscal period with a biennial budget process based on the 2-year period; and

(2) report the findings of the study to the Committees on the Budget of the House of Representatives and the Senate.

SEC. 11. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in sections 8 and 10 and subsection (b), this Act and the amendments made by this Act shall take effect on January 1, 2001, and shall apply to budget resolutions and appropriations for the biennium beginning with fiscal year 2002.

(b) AUTHORIZATIONS FOR THE BIENNIUM.—For purposes of authorizations for the biennium beginning with fiscal year 2002, the provisions of this Act and the amendments made by this Act relating to 2-year authorizations shall take effect January 1, 2000.

DESCRIPTION OF THE BIENNIAL BUDGETING AND APPROPRIATIONS ACT

The Domenici bill would convert the annual budget, appropriations, and authorization process to a biennial, or two-year, cycle.

FIRST YEAR: BUDGET AND APPROPRIATIONS

Requires the President to submit a two-year budget at the beginning of the first session of a Congress. The President's budget would cover each year in the biennium and planning levels for the four out-years. Converts the ''Mid-session Review'' into a ''Mid-biennium review''. The President would submit his ''mid-biennium review'' at the beginning of the second year.

Requires Congress to adopt a two-year budget resolution and a reconciliation bill (if necessary). Instead of enforcing the first fiscal year and the sum of the five years set out in the budget resolution, the bill provides that the budget resolution establish binding levels for each year in the biennium and the sum of the six-year period. The bill modifies the time frames in the Senate ten-year pay-as-you-go point of order to provide that legislation could not increase the deficit for the biennium, the sum of the first six years, and the sum of the last 4 years.

Requires Congress to enact a two-year appropriations bills during the first session of Congress. Requires Congress to enact 13 appropriations bills covering a two-year period and provides a new majority point of order against appropriations bills that fail to cover two years.

Makes budgeting and appropriating the priority for the first session of a Congress. The bill provides a majority point of order against consideration of authorization and revenue legislation until the completion of the biennial budget resolution, reconciliation legislation (if necessary) and the thirteen biennial appropriations bills. An exception is made for certain ''must-do'' measures.

SECOND YEAR: AUTHORIZATION LEGISLATION AND ENHANCED OVERSIGHT

Devotes the second session of a Congress to consideration of biennial authorization bills and oversight of federal programs. The bill provides a majority point of order against authorization and revenue legislation that cover less than two years except those measures limited to temporary programs or activities lasting less than two years.

Modifies the Government Performance and Results Act of 1993 to incorporate the government performance planning and reporting process into the two-year budget cycle to enhance oversight of federal programs.

The Government Performance and Results Act of 1993 (the Results Act) requires federal agencies to develop strategic plans, performance plans, and performance reports. The law requires agencies to establish performance goals and to report on their actual performance in meeting these goals. The Results Act requires federal agencies to consult with congressional committees as they develop their plans. Beginning in 1997, the law will require all federal agencies to submit their strategic plans to the Office of Management and Budget, along with their budget submissions, by September 30 of each year. Finally, the Results Act requires the President to include a performance plan for the entire government as part of the budget submission, beginning with the FY 1999 budget.

The Domenici bill modifies the Results Act to place it on a two-year cycle along with the budget process. The bill also requires the authorizing committees to review the strategic plans, performance plans, and performance reports of federal agencies and to submit their views, if any, on these plans and reports as part of their views and estimates submissions to the budget committees.

Mr. THOMAS. Mr. President, I think it is great for us to get started with our work on the floor. We have been working, of course, in organizing our committees, drafting our bills, getting prepared—as a matter of fact, probably earlier than usual, despite the trial that is going on here. So it is good to get started.

I am pleased that our party has also an agenda. We will be talking about Social Security, of course. I think a great many changes need to be made there to ensure that this program continues, not only for those now drawing benefits but for those who will in the future.

We will be talking about education, seeking to get Federal help directly to the classrooms.

We will be talking about strengthening the military, which I think is very important and must be done.

I think tax reduction and tax reform is very high on our list of priorities. Certainly, we will be working on that.

Health care, of course, will be part of what we talk about.

And each of us, in addition to those, will have other issues.

So I rise to talk a moment this morning about biannual budgeting. It is a real pleasure for me to join the chairman of the Budget Committee, Senator DOMENICI, and chairman of the Governmental Affairs Committee, Senator THOMPSON, to introduce a bill that will create a 2-year budgeting appropriations process. We worked long and hard on that issue. I have been working on it for some time, largely because it is my belief that the current budgeting process is broken.

After last year's massive omnibus appropriations bill, which was a debacle, of course, I argue that the budget process needs to be changed. We spend entirely too much time, both in the Congress and in the executive branch, on budget issues.

Since the most recent budget process reform in 1974, Congress has consistently failed to complete action on the budget by the time of the start of the fiscal year and, as a result, have increasingly relied on omnibus measures that come in at the end.

Last year's experience ought to ensure that we do, in fact, need a change. In fact, only 4 of the 13 regular appropriations bills were passed for funding for 10 cabinet-level departments, and the rest was crammed into a 24-hour budget session, which does not work well. Not a new idea. As a matter of fact, since 1950, Congress has failed on the 13 individual appropriations bills to be funded in every year except 2—only 2 years did we succeed in doing that. We routinely fund unauthorized expenditures and appropriations. The idea is to have an Authorization Committee and an Appropriations Committee. The authorization is made and then it is funded. That has not been the case. We need to change that.

In response to that, I introduced, in the 104th Congress, legislation that would create a biannual budget, and I am very pleased to join in with Senators DOMENICI and THOMPSON in offering this bill this year. This legislation does not eliminate the budgeting process. Each step serves an important role and will continue to do that. However, basically, we would simply be doing it for 2 years rather than 1, having the off year for oversight.

I happen to think that one of the principal obligations of the Congress is

oversight of the kinds of programs that have been funded by this Congress. We have not had the opportunity to do that. We have extended debate on appropriations throughout almost the entire year in each year of the 2-year periods. Almost all of us come from States where a 2-year cycle program is used and is successful. It is not a brand new idea and it can be done. I am sure there will be resistance, largely from the appropriators, who rather enjoy the power plays that go on each year through the appropriations process. But I believe in the old saying that we have often heard that ''if you expect different results, you have to change the process.''

The results we have had are not the kinds of results that most people would like to have. I think that it is high time for us to change the process, and I look forward very much to that.

Mr. THOMAS. Mr. President, it is an honor to once again join the Chairman of the Budget Committee, Senator DOMENICI, and the Chairman of the Government Affairs Committee, Senator THOMPSON in introducing legislation to create a two year budget and appropriations process. We've all worked long and hard on this issue and I am hopeful that we can finally enact this common sense reform this year.

I've been saying for awhile that the current budget process is breaking down. After last year's debacle with the massive omnibus appropriations bill, I'd argue that the budget process is broken. Congress and the executive branch spend entirely too much time on budget issues. Since the most recent budget process reform in 1974, Congress has consistently failed to complete action on the Federal budget before the start of the fiscal year and, as a result, has increasingly relied on omnibus spending measures to fund the Federal Government. Last year's experience should dispel any lingering doubts about whether the current process is broken. In fact, only four of the 13 regular appropriations bills were passed before funding for 10 Cabinet-level departments was crammed into one bill debated over just a 24 hour period.

The budget resolution, reconciliation bill and appropriations bill continue to become more time-consuming. In the process, authorizing committees are being squeezed out of the schedule. There are too many votes on the same issues and too much duplication. In the end, this time could be better spent conducting vigorous oversight of Federal programs which currently go unchecked.

In response to these problems, in the 104th Congress I introduced legislation that would create a biennial budget process. I am pleased to continue this effort by joining Senator DOMENICI and Senator THOMPSON in offering this bill. It will rectify many of the problems regarding the current process by promoting timely action on budget legislation. In addition, it will eliminate much of the redundancy in the current budget process. This legislation does not eliminate any of the current budget processes—each step serves an important role in congressional deliberations. However, by making decisions once every 2 years instead of annually, the burden should be significantly reduced.

Perhaps most importantly, biennial budgeting will provide more time for effective congressional oversight, which will help reduce the size and scope of the Federal Government. Congress simply needs more time to review existing Federal programs in order to determine priorities in our drive to balance the budget.

Another benefit of a 2 year budget cycle is its effect on long term planning. A biennial budget will allow the executive branch and State and local governments, all of which depend on congressional appropriations, to do a better job making plans for long term projects.

Two year budgets are not a novel idea. Nor will biennial budgeting cure all of the Federal Government's ills. However, separating the budget session from the oversight session works well across the country in our state legislatures.

This legislation is a solid first step toward reforming the congressional budget process. This concept enjoys strong bipartisan support. It is supported by the Clinton administration, Majority Leader LOTT and Minority Leader DASCHLE. In addition, 36 other Senators joined Senators DOMENICI, THOMPSON and I in sending a letter last year to Senate leaders calling for quick action on this bipartisan reform early this year. I am hopeful that effort and this bill will be a catalyst for swift action on this common sense, good government reform.

By Mr. DOMENICI (for himself, Mr. GRASSLEY, Mr. GORTON, Mr. ABRAHAM, Mr. FRIST, Mr. GRAMS, Mr. SMITH of Oregon, Mr. THOMAS, and Mr. KYL):

S. 93. A bill to improve and strengthen the budget process; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

BUDGET ENFORCEMENT ACT OF 1999

Mr. DOMENICI. Mr. President, I rise to introduce the Budget Enforcement Act of 1999. The time has come to conform our budget laws and procedures to a new fiscal environment. The Congressional Budget and Impoundment Control Act was enacted 25 years ago. Amendments to the Act, including the Gramm-Rudman-Hollings legislation in 1985, established new enforcement procedures that were further expanded and modified in the 1990 budget agreement. Those laws and procedures have served us well. In combination with a strong economy and robust revenue growth, not only have we balanced the Federal budget, we will shortly produce a surplus even excluding the current balances generated by Social Security program.

Laws and procedures developed over the last 25 years for a fiscal environment of deficits, cannot be appropriate for a fiscal environment of surpluses.

As an example, while the President a year ago in his State of the Union Address pledged to reserve ''every penny'' of the Social Security surpluses for the reform of that program, he and the Congress did not live up to that pledge last year. In one piece of legislation last fall, we spent $21.4 billion of these surpluses for so-called ''emergencies''. Moreover, in order to get appropriations bills signed into law, we relied on innovative financing mechanisms, a charitable characterization, to meet the spending limits. The fact that we will have difficulty meeting these limits in the coming year is not the fault of the limits that we agreed to on a bipartisan basis in 1997, it will be largely due to the reluctance to face the hard choices in appropriations last year.

This is not to say we have not accomplished a great deal in recent years. Since 1994, we curbed the rate of growth in spending through the enactment of legislation such as Freedom to Farm, welfare reform, and the Balanced Budget Act of 1997. While I am very proud that we have stemmed the growth rate in federal spending, we did not balance the budget by actually cutting spending. We did stop the explosive and unsustainable rate of growth in spending that begun in the 1960's with the help of the budget laws and amendments of the past 25 years. But even so, it should be clear that the current balanced budget is largely due to an unexpected growth in federal revenues due to our robust economy.

Beginning in 1990, we enjoyed the peace dividend with the end of the Cold War. The taxpayer did not see a dollar of that dividend. In 1998, we saw the balanced budget dividend, and we should produce a balanced budget dividend excluding the transactions of the Social Security trust fund in the very near future. It is time for the American taxpayer to collect a dividend.

In my view, the current budget process allows us to spend the taxpayer's money more easily than it is to let the American taxpayer keep what he has earned. We will collect more in taxes this year as a percentage of the economy than we have in any year since World War II.

We need to find a way to change our budget process in such a manner to stop the erosion on the spending side,

while finding a way to return at least something to the American taxpayer.

Some will argue that we should abandon all of our budget laws and find a way to cut taxes at any cost. Others will demagogue Social Security and hope it can stop any tax relief and fight any changes to tighten controls on spending. We need to find a way to steer the middle course. We should reduce taxes, but in a way that ensures we set aside the entire Social Security surplus for legislation that restores the long-term solvency of this program.

With these objectives in mind, I am introducing today the Budget Enforcement Act of 1999. This bill would:

(1) streamline the budget process and enhance the oversight of Federal programs;

(2) curb the abuse of emergency spending;

(3) set aside and protect the Social Security surplus until we can ensure that Social Security will be there for every generation;

(4) make way for tax relief that does not tap Social Security surpluses;

(5) provide that we never again incur a government shutdown because of our failure to enact appropriations.

Title I contains the text of the Biennial Budgeting and Appropriations Act, which I am also introducing as separate legislation today. My remarks on that bill go into some detail on the need for this reform. In my view a biennial appropriations and budget process will streamline the budget process, enhance oversight, and allow Congress to review the budget and federal programs in a more deliberative and efficient manner.

Title II would reform the manner in which we treat emergency spending. In 1990, we devised the current system of caps on appropriated spending and the ''pay-as-you-go'' requirement for all other legislation. When we were developing these procedures, the distinguished senior Senator from West Virginia, Senator BYRD, had the foresight to recognize that we needed an exception for emergency legislation.

Since President Clinton made his pledge last January that every penny of the surplus should be reserved for Social Security reform, $27 billion in ''emergency'' spending has come out of the surplus. We could not find $1 out of the budget surplus to return to the American taxpayer, but we found $27 billion of ''emergency'' spending in one year to take out of the surplus for a host of programs, many of which are difficult to classify as an emergency.

Senator BYRD was correct in 1990. We need an exception for emergency spending and the bill I introduced today retains that exception. However, this bill says if something is truly an emergency, it should have the support of 60 Senators. Remember, the President said that every penny of the surplus—without exception—should be reserved for Social Security. I feel there should be a means to use a portion of the surplus for emergency spending, but only in extraordinary circumstances. Sixty votes in the Senate is not too much to ask.

Title III modifies the ''pay-as-you-go'' requirements to make clear that on-budget surpluses can be used to offset the cost of legislation. Current law is vague with respect to the application of the pay-as-you-go procedures when there is an on-budget surplus. Title III modifies the law and the Senate rule to make clear that the surpluses generated by Social Security are not available for tax or direct spending legislation. However, the on-budget surplus, the surplus excluding Social Security, would be available for such legislation.

Title IV contains Senator MCCAIN's legislation, the Government Shutdown Prevention Act, frequently referred to as an automatic continuing resolution (CR). This title provides that agencies will be automatically funded at the lower of the previous year's level or the level proposed by the President.

Title V is designated to end what has been characterized as the ''vote-athon'' on budget resolutions and reconciliation bills. This title is very similar to an amendment that Senator BYRD offered to the Balanced Budget Act of 1997, which was later dropped during conference.

The manner in which the Senate currently considers budget resolutions and reconciliation bills is demeaning because of two loopholes in the current law regarding the consideration of budget resolutions and reconciliation bills. The first loophole is that the time limitation on budget resolutions and reconciliation bills is for debate only. Senators can continue to offer amendments after the time has expired. This loophole has been exploited in recent years where there is this mad rush in the Senate at the end of the process to vote on amendments—a demeaning process for what is supposed to be the ''world's greatest deliberative body.'' On October 27, 1995, the Senate broke a record by holding 39 consecutive roll call votes on a reconciliation bill, with the first vote beginning at 9:29 in the morning and the last vote ending at 11:59 that night.

The second loophole pertains to sense of the Senate amendments on budget resolutions. In the Senate, amendments to budget resolution must be germane. However, sense of the Senate amendments that are in the Budget Committee's jurisdiction are considered germane. By adding the words, ''the funding levels in this resolution assume that'', a Senator can make any sense of the Senate amendment germane. Instead of debating spending, revenue, and debt levels, the Senate now spends most of its time debating non-binding language on budget resolutions. For example, last year's Senate-passed budget resolution contained 65 separate sense of the Senate provisions. Ninety-nine of the 139 pages in that budget resolution were devoted to sense of the Senate provisions, ranging from agricultural trade policy to the Ten Commandments.

Title V makes two basic changes to Senate's procedures for consideration of budget resolutions and reconciliation bills. First, it provides a procedure similar to post-cloture for the consideration of budget resolutions and reconciliation bills. Second, it prohibits the inclusion of sense of the Senate language in budget resolutions and makes any sense of the Senate amendment not germane and subject to a 60 vote point of order under the Budget Act.

Mr. President, I have a more detailed description of this legislation and I ask unanimous consent that it be printed, with the text of the bill, in the RECORD.

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

S. 93

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 ''Budget Enforcement Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—BIENNIAL BUDGETING AND APPROPRIATIONS

Sec. 101. Short title.
Sec. 102. Revision of timetable.
Sec. 103. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
Sec. 104. Pay-as-you-go in the Senate.
Sec. 105. Amendments to title 31, United States Code.
Sec. 106. Two-year appropriations; title and style of appropriations Acts.
Sec. 107. Multiyear authorizations.
Sec. 108. Government plans on a biennial basis.
Sec. 109. Biennial appropriations bills.
Sec. 110. Report on two-year fiscal period.
Sec. 111. Effective date.

TITLE II—EMERGENCY SPENDING REFORMS

Sec. 201. Emergency designation guidance.

TITLE III—CLARIFYING CHANGES TO PAY-AS-YOU-GO

Sec. 301. Clarification on the application of section 202 of H. Con. Res. 67.
Sec. 302. Clarification of pay-as-you-go.
Sec. 303. Clarifications regarding extraneous matter.

TITLE IV—REFORM OF THE SENATE'S CONSIDERATION OF APPROPRIATIONS BILLS, BUDGET RESOLUTIONS, AND RECONCILIATION BILLS

Sec. 401. Short title.
Sec. 402. Amendment to title 31.
Sec. 403. Effective date and sunset.

TITLE V—BUDGET ACT AMENDMENTS REGARDING THE SENATE'S CONSIDERATION OF BUDGET RESOLUTION AND RECONCILIATION BILLS

Sec. 501. Consideration of budget measures in the Senate.

Sec. 502. Definition.
Sec. 503. Conforming the compensation of the director and deputy director of the Congressional Budget Office with other legislative branch support agencies.

TITLE I—BIENNIAL BUDGETING AND APPROPRIATIONS

SEC. 101. SHORT TITLE.

This title may be cited as the ''Biennial Budgeting and Appropriations Act''.

SEC. 102. REVISION OF TIMETABLE.

Section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

''TIMETABLE

''SEC. 300. (a) IN GENERAL.—Except as provided by subsection (b), the timetable with respect to the congressional budget process for any Congress (beginning with the One Hundred Seventh Congress) is as follows:

''On or before:	''First Session Action to be completed:
First Monday in February	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after budget submission.	Committees submit views and estimates to Budget Committees.
April 1	Budget Committees report concurrent resolution on the biennial budget.
May 15	Congress completes action on concurrent resolution on the biennial budget.
May 15	Biennial appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last biennial appropriation bill.
June 30	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.
	''Second Session
''On or before:	Action to be completed:
February 15	President submits budget review.
Not later than 6 weeks after President submits budget review.	Congressional Budget Office submits report to Budget Committees.
The last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.

''(b) SPECIAL RULE.—In the case of any first session of Congress that begins in any year immediately following a leap year and during which the term of a President (except a President who succeeds himself) begins, the following dates shall supersede those set forth in subsection (a):

''On or before:	''First Session Action to be completed:
First Monday in April	President submits budget recommendations.
April 20	Committees submit views and estimates to Budget Committees.
May 15	Budget Committees report concurrent resolution on the biennial budget.
June 1	Congress completes action on concurrent resolution on the biennial budget.
July 1	Biennial appropriation bills may be considered in the House.
July 20	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.''.

SEC. 103. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

(a) DECLARATION OF PURPOSE.—Section 2(2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621(2)) is amended by striking ''each year'' and inserting ''biennially''.

(b) DEFINITIONS.—

(1) BUDGET RESOLUTION.—Section 3(4) of such Act (2 U.S.C. 622(4)) is amended by striking ''fiscal year'' each place it appears and inserting ''biennium''.

(2) BIENNIUM.—Section 3 of such Act (2 U.S.C. 622) is further amended by adding at the end the following new paragraph:

''(11) The term 'biennium' means the period of 2 consecutive fiscal years beginning on October 1 of any odd-numbered year.''.

(c) BIENNIAL CONCURRENT RESOLUTION ON THE BUDGET.—

(1) CONTENTS OF RESOLUTION.—Section 301(a) of such Act (2 U.S.C. 632(a)) is amended—

(A) in the matter preceding paragraph (1) by—

(i) striking ''April 15 of each year'' and inserting ''May 15 of each odd-numbered year'';

(ii) striking ''the fiscal year beginning on October 1 of such year'' the first place it appears and inserting ''the biennium beginning on October 1 of such year''; and

(iii) striking ''the fiscal year beginning on October 1 of such year'' the second place it appears and inserting ''each fiscal year in such period'';

(B) in paragraph (6), by striking ''for the fiscal year'' and inserting ''for each fiscal year in the biennium''; and

(C) in paragraph (7), by striking ''for the first fiscal year'' and inserting ''for each fiscal year in the biennium''.

(2) ADDITIONAL MATTERS.—Section 301(b)(3) of such Act (2 U.S.C. 632(b)) is amended by striking ''for such fiscal year'' and inserting ''for either fiscal year in such biennium''.

(3) VIEWS OF OTHER COMMITTEES.—Section 301(d) of such Act (2 U.S.C. 632(d)) is amended by inserting ''(or, if applicable, as provided by section 300(b))'' after ''United States Code''.

(4) HEARINGS.—Section 301(e)(1) of such Act (2 U.S.C. 632(e)) is amended by—

(A) striking ''fiscal year'' and inserting ''biennium''; and

(B) inserting after the second sentence the following: ''On or before April 1 of each odd-numbered year (or, if applicable, as provided by section 300(b)), the Committee on the Budget of each House shall report to its House the concurrent resolution on the budget referred to in subsection (a) for the biennium beginning on October 1 of that year.''.

(5) GOALS FOR REDUCING UNEMPLOYMENT.—Section 301(f) of such Act (2 U.S.C. 632(f)) is amended by striking ''fiscal year'' each place it appears and inserting ''biennium''.

(6) ECONOMIC ASSUMPTIONS.—Section 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is amended by striking ''for a fiscal year'' and inserting ''for a biennium''.

(7) SECTION HEADING.—The section heading of section 301 of such Act is amended by striking ''**ANNUAL**'' and inserting ''**BIENNIAL**''.

(8) TABLE OF CONTENTS.—The item relating to section 301 in the table of contents set forth in section 1(b) of such Act is amended by striking ''Annual'' and inserting ''Biennial''.

(d) COMMITTEE ALLOCATIONS.—Section 302 is amended—

(1) in subsection (a)(1) by striking ''for the first fiscal year of the resolution,'' and inserting ''for each fiscal year in the biennium, for at least each of 4 ensuing fiscal years,'';

(2) in subsection (f)(1), by striking ''for a fiscal year'' and inserting ''for a biennium'';

(3) in subsection (f)(1), by striking ''first fiscal year'' and inserting ''each fiscal year of the biennum'';

(4) in subsection (f)(2)(A), by striking ''first fiscal year'' and inserting ''each fiscal year of the biennium''; and

(5) in subsection (g)(1)(A), by striking ''April'' and inserting ''May''.

(e) SECTION 303 POINT OF ORDER.—

(1) IN GENERAL.—Section 303(a) of such Act (2 U.S.C. 634(a)) is amended by striking ''first fiscal year'' and inserting ''each fiscal year of the biennium''.

(2) EXCEPTIONS IN THE HOUSE.—Section 303(b)(1) of such Act (2 U.S.C. 634(b)) is amended—

(A) in subparagraph (A), by striking ''the budget year'' and inserting ''the biennium''; and

(B) in subparagraph (B), by striking ''the fiscal year'' and inserting ''the biennium''.

(3) APPLICATION TO THE SENATE.—Section 303(c)(1) of such Act (2 U.S.C. 634(c)) is amended by—

(A) striking ''fiscal year'' and inserting ''biennium''; and

(B) striking ''that year'' and inserting ''each fiscal year of that biennium''.

(f) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304(a) of such Act (2 U.S.C. 635) is amended—

(1) by striking ''fiscal year'' the first two places it appears and inserting ''biennium'';

(2) by striking ''for such fiscal year''; and

(3) by inserting before the period ''for such biennium''.

(g) PROCEDURES FOR CONSIDERATION OF BUDGET RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C. 636(b)(3)) is amended by striking ''fiscal year'' and inserting ''biennium''.

(h) COMPLETION OF HOUSE ACTION ON APPROPRIATION BILLS.—Section 307 of such Act (2 U.S.C. 638) is amended—

(1) by striking ''each year'' and inserting ''each odd-numbered year'';

(2) by striking ''annual'' and inserting ''biennial'';

(3) by striking ''fiscal year'' and inserting ''biennium''; and

(4) by striking ''that year'' and inserting ''each odd-numbered year''.

(i) COMPLETION OF ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 640) is amended—

(1) by inserting ''of any odd-numbered calendar year'' after ''July'';

(2) by striking ''annual'' and inserting ''biennial''; and

(3) by striking ''fiscal year'' and inserting ''biennium''.

(j) RECONCILIATION PROCESS.—Section 310(a) of such Act (2 U.S.C. 641(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''any fiscal year'' and inserting ''any biennium''; and

(2) in paragraph (1) by striking ''such fiscal year'' each place it appears and inserting ''any fiscal year covered by such resolution''.

(k) SECTION 311 POINT OF ORDER.—

(1) IN THE HOUSE.—Section 311(a)(1) of such Act (2 U.S.C. 642(a)) is amended—

(A) by striking ''for a fiscal year'' and inserting ''for a biennium'';

(B) by striking ''the first fiscal year'' each place it appears and inserting ''either fiscal year of the biennium''; and

(C) by striking ''that first fiscal year'' and inserting ''each fiscal year in the biennium''.

(2) IN THE SENATE.—Section 311(a)(2) of such Act is amended—

(A) by striking ''for the first fiscal year'' and inserting ''for either fiscal year of the biennium''; and

(B) by striking ''that first fiscal year'' each place it appears and inserting ''each fiscal year in the biennium''.

(3) SOCIAL SECURITY LEVELS.—Section 311(a)(3) of such Act is amended by—

(A) striking ''for the first fiscal year'' and inserting ''each fiscal year in the biennium''; and

(B) striking ''that fiscal year'' and inserting ''each fiscal year in the biennium''.

(l) MDA POINT OF ORDER.—Section 312(c) of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended—

(1) by striking ''for a fiscal year'' and inserting ''for a biennium'';

(2) in paragraph (1), by striking ''first fiscal year'' and inserting ''either fiscal year in the biennium'';

(3) in paragraph (2), by striking ''that fiscal year'' and inserting ''either fiscal year in the biennium''; and

(4) in the matter following paragraph (2), by striking ''that fiscal year'' and inserting ''the applicable fiscal year''.

SEC. 104. PAY-AS-YOU-GO IN THE SENATE.

Subparagraphs (A), (B), and (C) of section 202(b)(2) of House Concurrent Resolution 67 (104th Congress) are amended to read as follows:

''(A) The period of the biennium covered by the most recently adopted concurrent resolution on the budget.

''(B) The period of the first six fiscal years covered by the most recently adopted concurrent resolution on the budget.

''(C) The period of the four fiscal years following the first six fiscal years covered by the most recently adopted concurrent resolution on the budget.''.

SEC. 105. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) DEFINITION.—Section 1101 of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

''(3) 'biennium' has the meaning given to such term in paragraph (11) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).''.

(b) BUDGET CONTENTS AND SUBMISSION TO THE CONGRESS.—

(1) SCHEDULE.—The matter preceding paragraph (1) in section 1105(a) of title 31, United States Code, is amended to read as follows:

''(a) On or before the first Monday in February of each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974), beginning with the One Hundred Seventh Congress, the President shall transmit to the Congress, the budget for the biennium beginning on October 1 of such calendar year. The budget transmitted under this subsection shall include a budget message and summary and supporting information. The President shall include in each budget the following:''.

(2) EXPENDITURES.—Section 1105(a)(5) of title 31, United States Code, is amended by striking ''the fiscal year for which the budget is submitted and the 4 fiscal years after that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years''.

(3) RECEIPTS.—Section 1105(a)(6) of title 31, United States Code, is amended by striking ''the fiscal year for which the budget is submitted and the 4 fiscal years after that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years''.

(4) BALANCE STATEMENTS.—Section 1105(a)(9)(C) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(5) FUNCTIONS AND ACTIVITIES.—Section 1105(a)(12) of title 31, United States Code, is amended—

(A) in subparagraph (A), by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''; and

(6) ALLOWANCES.—Section 1105(a)(13) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(7) ALLOWANCES FOR UNCONTROLLED EXPENDITURES.—Section 1105(a)(14) of title 31, United States Code, is amended by striking ''that year'' and inserting ''each fiscal year in the biennium for which the budget is submitted''.

(8) TAX EXPENDITURES.—Section 1105(a)(16) of title 31, United States Code, is amended by striking ''the fiscal year'' and inserting ''each fiscal year in the biennium''.

(9) FUTURE YEARS.—Section 1105(a)(17) of title 31, United States Code, is amended—

(A) by striking ''the fiscal year following the fiscal year'' and inserting ''each fiscal year in the biennium following the biennium'';

(B) by striking ''that following fiscal year'' and inserting ''each such fiscal year''; and

(C) by striking ''fiscal year before the fiscal year'' and inserting ''biennium before the biennium''.

(10) PRIOR YEAR OUTLAYS.—Section 1105(a)(18) of title 31, United States Code, is amended—

(A) by striking ''the prior fiscal year'' and inserting ''each of the 2 most recently completed fiscal years,'';

(B) by striking ''for that year'' and inserting ''with respect to those fiscal years''; and

(C) by striking ''in that year'' and inserting ''in those fiscal years''.

(11) PRIOR YEAR RECEIPTS.—Section 1105(a)(19) of title 31, United States Code, is amended—

(A) by striking ''the prior fiscal year'' and inserting ''each of the 2 most recently completed fiscal years'';

(B) by striking ''for that year'' and inserting ''with respect to those fiscal years''; and

(C) by striking ''in that year'' each place it appears and inserting ''in those fiscal years''.

(c) ESTIMATED EXPENDITURES OF LEGISLATIVE AND JUDICIAL BRANCHES.—Section 1105(b) of title 31, United States Code, is amended by striking ''each year'' and inserting ''each even-numbered year''.

(d) RECOMMENDATIONS TO MEET ESTIMATED DEFICIENCIES.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking ''the fiscal year for'' the first place it appears and inserting ''each fiscal year in the biennium for'';

(2) by striking ''the fiscal year for'' the second place it appears and inserting ''each fiscal year of the biennium, as the case may be,''; and

(3) by striking ''that year'' and inserting ''for each year of the biennium''.

(e) CAPITAL INVESTMENT ANALYSIS.—Section 1105(e)(1) of title 31, United States Code, is amended by striking ''ensuing fiscal year'' and inserting ''biennium to which such budget relates''.

(f) SUPPLEMENTAL BUDGET ESTIMATES AND CHANGES.—

(1) IN GENERAL.—Section 1106(a) of title 31, United States Code, is amended—

(A) in the matter preceding paragraph (1), by—

(i) striking ''Before July 16 of each year,'' and inserting ''Before February 15 of each even numbered year,''; and

(ii) striking ''fiscal year'' and inserting ''biennium'';

(B) in paragraph (1), by striking ''that fiscal year'' and inserting ''each fiscal year in such biennium'';

(C) in paragraph (2), by striking ''4 fiscal years following the fiscal year'' and inserting ''4 fiscal years following the biennium''; and

(D) in paragraph (3), by striking ''fiscal year'' and inserting ''biennium''.

(2) CHANGES.—Section 1106(b) of title 31, United States Code, is amended by—

(A) striking ''the fiscal year'' and inserting ''each fiscal year in the biennium'';

(B) striking ''April 11 and July 16 of each year'' and inserting ''February 15 of each even-numbered year''; and

(C) striking ''July 16'' and inserting ''February 15 of each even-numbered year.''.

(g) CURRENT PROGRAMS AND ACTIVITIES ESTIMATES.—

(1) IN GENERAL.—Section 1109(a) of title 31, United States Code, is amended—

(A) by striking ''On or before the first Monday after January 3 of each year (on or before February 5 in 1986)'' and inserting ''At the same time the budget required by section 1105 is submitted for a biennium''; and

(B) by striking ''the following fiscal year'' and inserting ''each fiscal year of such period''.

(2) JOINT ECONOMIC COMMITTEE.—Section 1109(b) of title 31, United States Code, is amended by striking ''March 1 of each year'' and inserting ''within 6 weeks of the President's budget submission for each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974)''.

(h) YEAR-AHEAD REQUESTS FOR AUTHORIZING LEGISLATION.—Section 1110 of title 31, United States Code, is amended by—

(1) striking ''May 16'' and inserting ''March 31''; and

(2) striking ''year before the year in which the fiscal year begins'' and inserting ''calendar year preceding the calendar year in which the biennium begins''.

SEC. 106. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE OF APPROPRIATIONS ACTS.

Section 105 of title 1, United States Code, is amended to read as follows:

''§ 105. Title and style of appropriations Acts

''(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: 'An Act making appropriations (here insert the object) for each fiscal year in the biennium of fiscal years (here insert the fiscal years of the biennium).'.

''(b) All Acts making regular appropriations for the support of the Government shall be enacted for a biennium and shall specify the amount of appropriations provided for each fiscal year in such period.

''(c) For purposes of this section, the term 'biennium' has the same meaning as in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).''.

SEC. 107. MULTIYEAR AUTHORIZATIONS.

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''AUTHORIZATIONS OF APPROPRIATIONS

''SEC. 316. (a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider—

''(1) any bill, joint resolution, amendment, motion, or conference report that authorizes appropriations for a period of less than 2 fiscal years, unless the program, project, or activity for which the appropriations are authorized will require no further appropriations and will be completed or terminated after the appropriations have been expended; and

''(2) in any odd-numbered year, any authorization or revenue bill or joint resolution until Congress completes action on the biennial budget resolution, all regular biennial appropriations bills, and all reconciliation bills.

''(b) APPLICABILITY.—In the Senate, subsection (a) shall not apply to—

''(1) any measure that is privileged for consideration pursuant to a rule or statute;

''(2) any matter considered in Executive Session; or

''(3) an appropriations measure or reconciliation bill.''.

(b) AMENDMENT TO TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 313 the following new item:

''Sec. 316. Authorizations of appropriations.''.

SEC. 108. GOVERNMENT PLANS ON A BIENNIAL BASIS.

(a) STRATEGIC PLANS.—Section 306 of title 5, United States Code, is amended—

(1) in subsection (a), by striking ''September 30, 1997'' and inserting ''September 30, 2000'';

(2) in subsection (b)—

(A) by striking ''at least every three years'' and inserting ''at least every 4 years''; and

(B) by striking ''five years forward'' and inserting ''six years forward''; and

(3) in subsection (c), by inserting a comma after ''section'' the second place it appears and adding ''including a strategic plan submitted by September 30, 1997 meeting the requirements of subsection (a)''.

(b) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Paragraph (28) of section 1105(a) of title 31, United States Code, is amended by striking ''beginning with fiscal year 1999, a'' and inserting ''beginning with fiscal year 2002, a biennial''.

(c) PERFORMANCE PLANS.—Section 1115 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in the matter before paragraph (1)—

(i) by striking ''section 1105(a)(29)'' and inserting ''section 1105(a)(28)''; and

(ii) by striking ''an annual'' and inserting ''a biennial'';

(B) in paragraph (1) by inserting after ''program activity'' the following: ''for both years 1 and 2 of the biennial plan'';

(C) in paragraph (5) by striking ''and'' after the semicolon,

(D) in paragraph (6) by striking the period and inserting a semicolon; and inserting ''and'' after the inserted semicolon; and

(E) by adding after paragraph (6) the following:

''(7) cover a 2-year period beginning with the first fiscal year of the next biennial budget cycle.'';

(2) in subsection (d) by striking ''annual'' and inserting ''biennial''; and

(3) in paragraph (6) of subsection (f) by striking ''annual'' and inserting ''biennial''.

(d) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Section 9703 of title 31, United States Code, relating to managerial accountability, is amended—

(1) in subsection (a)—

(A) in the first sentence by striking ''annual''; and

(B) by striking ''section 1105(a)(29)'' and inserting ''section 1105(a)(28)'';

(2) in subsection (e)—

(A) in the first sentence by striking ''one or'' before ''years'';

(B) in the second sentence by striking ''a subsequent year'' and inserting ''for a subsequent 2-year period''; and

(C) in the third sentence by striking ''three'' and inserting ''four''.

(e) PILOT PROJECTS FOR PERFORMANCE BUDGETING.—Section 1119 of title 31, United States Code, is amended—

(1) in paragraph (1) of subsection (d), by striking ''annual'' and inserting ''biennial''; and

(2) in subsection (e), by striking ''annual'' and inserting ''biennial''.

(f) STRATEGIC PLANS.—Section 2802 of title 39, United States Code, is amended—

(1) in subsection (a), by striking ''September 30, 1997'' and inserting ''September 30, 2000'';

(2) in subsection (b), by striking ''at least every three years'' and inserting ''at least every 4 years'';

(3) by striking ''five years forward'' and inserting ''six years forward''; and

(4) in subsection (c), by inserting a comma after ''section'' the second place it appears and inserting ''including a strategic plan submitted by September 30, 1997 meeting the requirements of subsection (a)''.

(g) PERFORMANCE PLANS.—Section 2803(a) of title 39, United States Code, is amended—

(1) in the matter before paragraph (1), by striking ''an annual'' and inserting ''a biennial'';

(2) in paragraph (1), by inserting after ''program activity'' the following: ''for both years 1 and 2 of the biennial plan'';

(3) in paragraph (5), by striking ''and'' after the semicolon;

(4) in paragraph (6), by striking the period and inserting ''; and''; and

(5) by adding after paragraph (6) the following:

''(7) cover a 2-year period beginning with the first fiscal year of the next biennial budget cycle.''.

(h) COMMITTEE VIEWS OF PLANS AND REPORTS.—Section 301(d) of the Congressional Budget Act of 1974 (2 U.S.C. 632(d)) is amended by adding at the end ''Each committee of the Senate or the House of Representatives shall review the strategic plans, performance plans, and performance reports, required under section 306 of title 5, United States Code, and sections 1115 and 1116 of title 31, United States Code, of all agencies under the jurisdiction of the committee. Each committee may provide its views on such plans or reports to the Committee on the Budget of the applicable House.''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on March 1, 2000.

(2) AGENCY ACTIONS.—Effective on and after the date of enactment of this title, each agency shall take such actions as necessary to prepare and submit any plan or report in accordance with the amendments made by this title.

SEC. 109. BIENNIAL APPROPRIATIONS BILLS.

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended by adding at the end the following:

''CONSIDERATION OF BIENNIAL APPROPRIATIONS BILLS

''SEC. 317. It shall not be in order in the House of Representatives or the Senate in any odd-numbered year to consider any regular bill providing new budget authority or a limitation on obligations under the jurisdiction of any of the subcommittees of the Committees on Appropriations for only the first fiscal year of a biennium, unless the program, project, or activity for which the new budget authority or obligation limitation is provided will require no additional authority beyond 1 year and will be completed or terminated after the amount provided has been expended.''.

(b) AMENDMENT TO TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 313 the following new item:

''Sec. 317. Consideration of biennial appropriations bills.''.

SEC. 110. REPORT ON TWO-YEAR FISCAL PERIOD.

Not later than 180 days after the date of enactment of this title, the Director of OMB shall—

(1) determine the impact and feasibility of changing the definition of a fiscal year and the budget process based on that definition to a 2-year fiscal period with a biennial budget process based on the 2-year period; and

(2) report the findings of the study to the Committees on the Budget of the House of Representatives and the Senate.

SEC. 111. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in sections 108 and 110 and subsection (b), this title and the amendments made by this title shall take effect on January 1, 2001, and shall apply to budget resolutions and appropriations for the biennium beginning with fiscal year 2002.

(b) AUTHORIZATIONS FOR THE BIENNIUM.—For purposes of authorizations for the biennium beginning with fiscal year 2002, the provisions of this title and the amendments made by this title relating to 2-year authorizations shall take effect January 1, 2000.

TITLE II—EMERGENCY SPENDING REFORMS

SEC. 201. EMERGENCY DESIGNATION GUIDANCE.

The Congressional Budget Act of 1974 is amended—

(1) by adding the following new section at the end of title III:

''SEC. 318. EMERGENCY LEGISLATION.

''(a) DESIGNATIONS.—

''(1) GUIDANCE.—In making a designation of a provision of legislation as an emergency requirement under section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985—

''(A) the President shall submit a message to the Congress analyzing whether a proposed emergency requirement meets all the criteria in paragraph (2); and

''(B) the committee report, if any, accompanying that legislation shall analyze whether a proposed emergency requirement meets all the criteria in paragraph (2).

''(2) CRITERIA.—

''(A) IN GENERAL.—A proposed expenditure or tax change is an emergency requirement if it is—

''(i) necessary, essential, or vital (not merely useful or beneficial);

''(ii) sudden, quickly coming into being, and not building up over time;

''(iii) an urgent, pressing, and compelling need requiring immediate action;

''(iv) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

''(v) not permanent, temporary in nature.

''(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

''(3) JUSTIFICATION FOR FAILURE TO MEET CRITERIA.—If the proposed emergency requirement does not meet all the criteria set forth in paragraph (2), the President or the

committee report, as the case may be, shall provide a written justification of why the requirement is an emergency.

''(b) POINT OF ORDER.—

''(1) IN GENERAL.—When the Senate is considering a bill, resolution, amendment, motion, or conference report, upon a point of order being made by a Senator against any provision in that measure designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Presiding Officer sustains that point of order, that provision along with the language making the designation shall be stricken from the measure and may not be offered as an amendment from the floor.

''(2) EMERGENCY LEGISLATION.—When the Senate is considering an emergency supplemental appropriations bill, an amendment thereto, a motion thereto, or a conference report therefrom, upon a point of order being made by a Senator against any provision in that measure that is not designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Presiding Officer sustains that point of order, that provision shall be stricken from the measure and may not be offered as an amendment from the floor.

''(3) CONFERENCE REPORTS.—A point of order sustained under this subsection against a conference report shall be disposed of as provided in section 313(d).

''(c) DEFINITION.—For the purposes of this section, an emergency supplemental appropriations bill is a bill or joint resolution that—

''(1) includes a provision designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985;

''(2) includes in the long title or short title of that bill or joint resolution any of the following words: emergency, urgent, or disaster; and

''(3) appropriates funds in addition to those enacted in the regular appropriations Act for that year as defined in section 1311 of title 31, United States Code.'';

(2) in subsections (c)(2) and (d)(2) of section 904, by striking ''and 312(c)'' and inserting ''312(c), and 316''; and

(3) in the table of contents in section 1(a), by adding after the item for section 317 the following:

''318. Emergency legislation.''.

TITLE III—CLARIFYING CHANGES TO PAY-AS-YOU-GO

SEC. 301. CLARIFICATION ON THE APPLICATION OF SECTION 202 OF H. CON. RES. 67.

Section 202(b) of H. Con. Res. 67 (104th Congress) is amended—

(1) in paragraph (1), by striking ''the deficit'' and inserting ''the on-budget deficit or cause an on-budget deficit''; and

(2) in paragraph (6), by—

(A) striking ''increases the deficit'' and inserting ''increases the on-budget deficit or causes an on-budget deficit''; and

(B) striking ''increase the deficit'' and inserting ''increase the on-budget deficit or cause an on-budget deficit''.

SEC. 302. CLARIFICATION OF PAY-AS-YOU-GO.

(a) IN GENERAL.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by striking ''the deficit'' and inserting ''the on-budget deficit or causes an on-budget deficit'';

(2) in subsection (b)(2)—

(A) in subparagraph (B), by striking ''; and'' and inserting a semicolon;

(B) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(D) the estimate of the on-budget surplus for the budget year determined under section 254(c)(3)(D).''.

(b) BASELINE.—Section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(D) The estimated excess of on-budget receipts over on-budget outlays for the budget year assuming compliance with the discretionary spending limits and that the full adjustments are made under subparagraphs (C), (E), and (F) of section 251(b)(2).''.

SEC. 303. CLARIFICATIONS REGARDING EXTRANEOUS MATTER.

Section 313(b)(1)(E) of the Congressional Budget Act of 1974 is amended by striking ''such year;'' and inserting ''such year or such increases or decreases, when taken with other provisions in such bill, would cause an on-budget deficit in such year;''.

TITLE IV—REFORM OF THE SENATE'S CONSIDERATION OF APPROPRIATIONS BILLS, BUDGET RESOLUTIONS, AND RECONCILIATION BILLS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Government Shutdown Prevention Act''.

SEC. 402. AMENDMENT TO TITLE 31.

(a) IN GENERAL.—Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

''§ 1311. Continuing appropriations

''(a)(1) If any regular appropriation bill for a fiscal year does not become law prior to the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there is appropriated, out of any moneys in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

''(A) in the corresponding regular appropriation Act for such preceding fiscal year; or

''(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

''(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

''(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year;

''(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year;

''(C) the rate provided in the budget submission of the President under section 1105(a) of title 31, United States Code, for the fiscal year in question; or

''(D) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year or any funding levels established under the provisions of this Act.

''(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

''(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be; or

''(B) the last day of such fiscal year.

''(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

''(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such project or activity during the portion of such fiscal year for which this section applies to such project or activity.

''(d) Expenditures made for a project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such project or activity for such period becomes law.

''(e) This section shall not apply to a project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

''(1) makes an appropriation, makes funds available, or grants authority for such project or activity to continue for such period; or

''(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such project or activity to continue for such period.

''(f) In this section, the term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

''(1) Agriculture, rural development, and related agencies programs.

''(2) The Departments of Commerce, Justice, and State, the judiciary, and related agencies.

''(3) The Department of Defense.

''(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

''(5) The Departments of Labor, Health and Human Services, and Education, and related agencies.

''(6) The Department of Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.

''(7) Energy and water development.

''(8) Foreign assistance and related programs.

''(9) The Department of the Interior and related agencies.

''(10) Military construction.

''(11) The Department of Transportation and related agencies.

''(12) The Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

''(13) The legislative branch.''.

(b) TECHNICAL AMENDMENT.—The analysis of chapter 13 of title 31, United States Code,

is amended by inserting after the item relating to section 1310 the following new item:

''1311. Continuing appropriations.''.

(c) PROTECTION OF OTHER OBLIGATIONS.—Nothing in the amendments made by this section shall be construed to effect Government obligations mandated by other law, including obligations with respect to Social Security, Medicare, and Medicaid.

SEC. 403. EFFECTIVE DATE AND SUNSET.

(a) EFFECTIVE DATE.—The amendments made by this title shall apply with respect to fiscal years beginning with fiscal year 2000.

(b) SUNSET.—The amendments made by this title shall sunset and have no force or effect after fiscal year 2001.

TITLE V—BUDGET ACT AMENDMENTS REGARDING THE SENATE'S CONSIDERATION OF BUDGET RESOLUTION AND RECONCILIATION BILLS

SEC. 501. CONSIDERATION OF BUDGET MEASURES IN THE SENATE.

(a) PROHIBITION AGAINST INCLUSION OF PRECATORY LANGUAGE IN A BUDGET RESOLUTION.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include precatory language.''.

(b) PROCEDURE.—Section 305(b) of the Congressional Budget Act of 1974 is amended to read as follows:

''(b) PROCEDURE IN SENATE FOR THE CONSIDERATION OF A CONCURRENT RESOLUTION ON THE BUDGET.—

''(1) LEGISLATION AVAILABLE.—It shall not be in order to proceed to the consideration of a concurrent resolution on the budget unless the text of that resolution has been available to Members for at least 1 calendar day (excluding Sundays and legal holidays unless the Senate is in session) prior to the consideration of the measure.

''(2) TIME FOR DEBATE.—

''(A) IN GENERAL.—Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 30 hours, except that with respect to any concurrent resolution referred to in section 304(a) all such debate shall be limited to not more than 10 hours. Of this 30 hours, 10 hours shall be reserved for general debate on the resolution (including debate on economic goals and policies) and 20 hours shall be reserved for debate of amendments, motions, and appeals. The time for general debate shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

''(B) DISPOSITION OF AMENDMENTS AND OTHER MATTERS.—After no more than 30 hours of debate on the concurrent resolution on the budget, the Senate shall, except as provided in subparagraph (C), proceed, without any further action or debate on any question, to vote on the final disposition thereof.

''(C) ACTION PERMITTED AFTER 30 HOURS.—After no more than 30 hours of debate on the concurrent resolution on the budget, the only further action in order shall be disposition of—

''(i) all amendments then pending before the Senate;

''(ii) all points of order arising under this Act which have been previously raised; and

''(iii) motions to reconsider and 1 quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. Disposition shall include raising points of order against pending amendments, motions to table, and motions to waive.

''(3) AMENDMENTS.—

''(A) DEBATE.—Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the Minority Leader or his designee. No amendment that is not germane to the provisions of that concurrent resolution shall be received. An amendment that includes precatory language shall not be considered germane. Such leaders, or either of them, may, from the time for general debate under their control on the adoption of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

''(B) FILING OF AMENDMENTS.—Except by unanimous consent, no amendment shall be proposed after 15 hours of debate of a concurrent resolution on the budget have elapsed, unless it has been submitted in writing to the Journal Clerk by the 15th hour if an amendment in the first degree (or if a complete substitute for the underlying measure), and unless it has been so submitted by the 20th hour if an amendment to an amendment (or an amendment to the language proposed to be stricken).

''(C) RECOGNITION.—For the purpose of providing an opportunity for the offering amendments in the first degree (or amendments which are a complete substitute for the underlying measure), the Presiding Officer of the Senate shall alternate recognition between members of the majority party and the minority party. No Senator shall call up more than a total of 2 amendments until every other Senator shall have had the opportunity to do likewise.

''(D) LIMITATION ON NUMBER OF SECOND DEGREE AMENDMENTS.—No more than a total of 2 consecutive amendments to any amendment may be offered by either the majority or minority party.

''(4) DEBATE.—General debate time may only be yielded back by unanimous consent and a motion to further limit the time for general debate shall be debatable for 30 minutes. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

''(5) MATHEMATICAL CONSISTENCY.—

''(A) IN GENERAL.—Notwithstanding any other rule, and except as provided in subparagraph (B), an amendment or series of amendments to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

''(B) EFFECT OF ADOPTION OF SUBSTITUTE AMENDMENTS.—Once an amendment to an amendment (which is a complete substitute for the underlying amendment) has been agreed to, no further amendments to the underlying amendment shall be in order.''.

(c) CONFERENCE REPORTS IN THE SENATE.—Section 305(c) is amended to read as follows:

''(c) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

''(1) MOTION TO PROCEED.—A motion to proceed to the consideration of the conference report on any concurrent resolution on the budget (or a reconciliation bill or resolution) may be made even though a previous motion to the same effect has been disagreed to.

''(2) CONSIDERATION.—

''(A) IN GENERAL.—During the consideration in the Senate of the conference report (or a message between Houses) on any concurrent resolution on the budget, and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith, debate shall be limited to 10 hours, to be equally divided between, and controlled by, the Majority Leader and Minority Leader or their designees. Debate on any debatable motion or appeal related to the conference report (or a message between Houses) shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report (or a message between Houses).

''(B) DISPOSITION.—After no more than 10 hours of debate on the conference report (or message between Houses) accompanying a concurrent resolution on the budget, and all amendments in disagreement, and all amendments thereto, the Senate shall, except as provided in subparagraph (C), proceed, without any further action or debate on any question, to vote on the final disposition thereof.

''(C) ACTION PERMITTED AFTER 10 HOURS.—After no more than 10 hours of debate on the conference report (or message between the Houses) accompanying a concurrent resolution on the budget, and all amendments in disagreement, and all amendments thereto, the only further action in order shall be disposition of: all amendments then pending before the Senate; all points of order arising under this Act which have been previously raised; and motions to reconsider and 1 quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. Disposition shall include raising points of order against pending amendments, motions to table, and motions to waive.

''(3) CONFERENCE REPORT DEFEATED.—Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the Minority Leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on that motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

''(4) AMENDMENTS IN DISAGREEMENT.—In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the Minority Leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.''.

(c) RECONCILIATION.—Section 310(e) is amended to read as follows:

''(e) PROCEDURE IN THE SENATE.—The provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon, except for the provisions of subsection (b)(5) of that section, shall also apply to the consideration in the Senate of reconciliation bills considered under subsection (b) and conference reports thereon.''.

SEC. 502. DEFINITION.

Section 3 of the Congressional Budget Act of 1974 is amended by adding the following new paragraph:

''(13) The term 'major functional category' means the allocation of budget authority and outlays separated into the following subtotals:

''(A) Defense discretionary.

''(B) Nondefense discretionary.

''(C) Direct spending.

''(D) If deemed necessary, other subsets of discretionary and direct spending.''.

SEC. 503. CONFORMING THE COMPENSATION OF THE DIRECTOR AND DEPUTY DIRECTOR OF THE CONGRESSIONAL BUDGET OFFICE WITH OTHER LEGISLATIVE BRANCH SUPPORT AGENCIES.

Section 201(a)(5) of the Congressional Budget Act of 1974 is amended—

(1) in the first sentence, by striking ''(III)'' and inserting ''(II)''; and

(2) in the second sentence, by striking ''(IV)'' and inserting ''(III)''.

DESCRIPTION OF THE BUDGET ENFORCEMENT ACT OF 1999

TITLE I: BIENNIAL BUDGETING AND APPROPRIATIONS

Requires the President to submit a two-year budget at the beginning of the first session of a Congress.

Requires Congress to adopt a two-year budget resolution and a reconciliation bill (if necessary) during the first session of a Congress.

Requires Congress to enact 13 appropriations bills covering a two-year period during the first session of a Congress and provides a new majority point of order against appropriations bills that fail to cover two years.

Makes budgeting and appropriating the priority for the first session of a Congress by providing a new majority point of order against consideration of authorization and revenue legislation until the completion of the biennial budget resolution, reconciliation legislation (if necessary) and the thirteen biennial appropriations bills.

Devotes the second session of a Congress to consideration of biennial authorization bills and oversight of federal programs and provides a majority point of order against authorization and revenue legislation that cover less than two years except those measures limited to temporary programs or activities lasting less than two years.

Modifies the Government Performance and Results Act of 1993 (the Results Act) to incorporate the government performance planning and reporting process into the two-year budget cycle to enhance oversight of federal programs.

TITLE II: EMERGENCY SPENDING REFORMS

Makes any emergency spending in any bill subject to a 60 vote point of order in the Senate. If this point of order is sustained against any emergency provision, the emergency spending would be extracted from the bill under a Byrd rule procedure.

Provides a reporting requirement for the President and Congress to justify proposed emergencies spending and to document whether proposed emergencies meet five criteria: necessary, sudden, urgent, unforseen, and not permanent.

Makes any non-emergency provision in an emergency supplemental appropriations bill subject to a 60 vote point of order in the Senate. If this point of order was sustained, the non-emergency provision would be extracted from the bill under a Byrd rule procedure.

TITLE III: CLARIFYING CHANGES TO PAY-AS-YOU-GO

Amends the Senate's 10-year pay-as-you-go rule to make clear that an on-budget surplus can be used to offset the cost of tax reductions or direct spending increases.

Amends the statutory pay-go system (enforced by OMB) to make clear that an on-budget surplus can be used to offset the cost of tax reductions or direct spending increases.

Amends the Byrd rule to allow revenue losing provisions in reconciliation bills to be made permanent as long as they do not cause an on-budget deficit in the future.

TITLE IV: GOVERNMENT SHUTDOWN PREVENTION ACT

Provide for an automatic continuing resolution (CR) at the lower of the President's requested level or the previous year's appropriated level.

TITLE V: STREAMLINING THE BUDGET PROCESS

Eliminates the ''vote-athon'' at the end of the process by adopting procedures similar to a post-cloture process for budget resolutions and reconciliation bills:

Reduce time on a budget resolution from 50 to 30 hours (10 hours of which would be reserved for amendments);

Reduce time on amendments from 2 hours to 1 hour;

Establish filing deadlines (1st degree amendments must be filed by 15th hour; 2nd degree amendments must be filed by 20th hour);

After all time expires, require vote on any pending amendments and then final passage;

Make sense of the Senate amendments on budget resolutions and reconciliation bills nongermane; and,

Adopt same procedures for reconciliation bills.

Modifies the scope of the budget resolution to be major categories of spending instead of 20 individual functions.

By Mr. MCCAIN:

S. 94. A bill to repeal the telephone excise tax; to the Committee on Finance.

REPEAL OF THREE PERCENT FEDERAL EXCISE TAX

Mr. MCCAIN. Mr. President, I rise to introduce a bill to repeal the three percent federal excise tax that all Americans pay every time they use a telephone.

Under current law, the federal government taxes you three percent of your monthly phone bill for the so-called ''privilege'' of using your phone lines. This tax was first imposed one hundred years ago. To help finance the Spanish-American War, the federal government taxed telephone service, which in 1898 was a luxury service enjoyed by relatively few. The tax reappeared as a means of raising revenue for World War I, and continued as a revenue-raiser during the Great Depression, World War II, the Korean and Vietnam Wars, and the chronic federal budget deficits of the last twenty years.

Fortunately for telephone subscribers, we are enjoying some long-overdue good news: thanks to the Balanced Budget Act enacted by the Congress in 1997, we are now expecting budget surpluses for the next decade, perhaps as much as $700 billion. Mr. President, just as it did in the 105th Congress, that announcement should mean the end of the federal phone excise tax.

Here's why. First of all, the telephone is a modern-day necessity, not like alcohol, or furs, or jewelry, or other items of the sort that the government taxes this way. The Congress specifically recognized the need for all Americans to have affordable telephone service when it enacted the 1996 Telecommunications Act. The universal service provisions of the Act are intended to assure that all Americans, regardless of where they live or how much money they make, have access to affordable telephone service. The telephone excise tax, which bears no relationship to any government service received by the consumer, is flatly inconsistent with the goal of universal telephone service.

It's also a highly regressive and unfair tax that hurts low-income and rural Americans even more than other Americans. Low-income families spend a higher percentage of their income than medium- or high-income families on telephone service, and that means the telephone tax hits low-income families much harder. For that reason the Congressional Budget Office has concluded that increases in the telephone tax would have a greater impact on low-income families than tax increases on alcohol or tobacco products. And a study by the American Agriculture Movement concluded that excise taxes like the telephone tax impose a disproportionately large tax burden on rural customers, too, who rely on telephone service in isolated areas.

But, in addition to being unfair and unnecessary, there is another reason why we should eliminate the telephone excise tax. Implementation of the Telecom Act of 1996 requires all telecommunications carriers—local, long-distance, and wireless—to incur new costs in order to produce a new, more competitive market for telecommunications services of all kinds.

Unfortunately, the cost increases are arriving far more quickly than the new, more competitive market. The Telecom Act created a new subsidy program for wiring schools and libraries to the Internet, and the cost of

funding that subsidy has increased bills for business and residential users of long-distance telephone service and for consumers of wireless services.

Mr. President, the fact that the Telecom Act has imposed new charges on consumers' bills makes it absolutely incumbent upon us to strip away any unnecessary old charges. And that means the telephone excise tax.

Mr. President, the telephone excise tax isn't a harmless artifact from bygone days. It collects money for wars that are already over, and for budget deficits that no longer exist, from people who can least afford to spend it now and from people who are footing higher bills as a result of the 1996 Telecom Act implementation. That's unfair, that's wrong, and that must be stopped.

San Juan Hill and Pork Chop Hill have now gone down in history, and so should this tax.

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

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

S. 94

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

SEC. 1. REPEAL OF TELEPHONE EXCISE TAX.

(a) IN GENERAL.—Effective with respect to amounts paid pursuant to bills first rendered on or after January 1, 1999, subchapter B of chapter 33 of the Internal Revenue Code of 1986 (26 U.S.C. 4251 et seq.) is repealed. For purposes of the preceding sentence, in the case of communications services rendered before December 1, 1998, for which a bill has not been rendered before January 1, 1999, a bill shall be treated as having been first rendered on December 31, 1998.

(b) CONFORMING AMENDMENT.—Effective January 1, 1999, the table of subchapters for such chapter is amended by striking out the item relating to subchapter B.

By Mr. MCCAIN:

S. 95. A bill to amend the Communications Act of 1934 to ensure that public availability of information concerning stocks traded on an established stock exchange continues to be freely and readily available to the public through all media of mass communication; to the Committee on Commerce, Science, and Transportation.

THE TRADING INFORMATION ACT

Mr. MCCAIN. Mr. President, I rise to introduce the Trading Information Act. In 1998, Americans continued to discover the Internet for the increased access to information and entertainment it provides, and as a more convenient means of purchasing goods. Americans also continued to discover the Internet as a more direct means of making and managing investments.

Online stock trading is growing at a phenomenal pace. According to Forrester Research, there are more than 3 million online accounts, and that number is expected to exceed 14 million by 2002. In fact, the number of online traders in 1998 doubled from 1997, as it did from 1996.

Trading over the Internet is providing more Americans with the opportunity to increase their personal wealth, and to participate in the current growth in the market. New discount brokerages, high-speed Internet access, and ''real time'' market updates are all contributing to the growth of online trading. The Trading Information Act will help to preserve this growing trend.

The Trading Information Act will ensure that online traders will continue to have access to information relating to financial markets which they rely on to properly manage their assets. Whether watching a stock ticker on television, receiving up-to-date information over a cell phone or pager, or logging on with an online brokerage firm, Americans must continue to have unfettered access to this vital information, and this bill will ensure they continue to have it.

By Mr. MCCAIN:

S. 96. A bill to regulate commerce between and among the several States by providing for the orderly resolution of disputes arising out of computer-based problems related to processing data that includes a 2-digit expression of that year's date; to the Committee on Commerce, Science, and Transportation.

Y2K ACT

Mr. MCCAIN. Mr. President, I am pleased to introduce a bill today to limit and prevent needless and costly litigation which is arising as a result of the computer programming problem commonly known as Y2K. Even before December 31 arrives lawsuits are beginning to be filed. This is an unfortunate reflection on our overly litigious society, and a situation which needs to be remedied. The Y2K Act takes a step toward encouraging technology producers to work with technology users and consumers to ensure a seamless transition for the 1990's to the year 2000.

The purpose of this legislation is to ensure that we look to solving the technology glitch known as Y2K rather than clog our courts with years of costly litigation. The legislation is designed to compensate actual losses, but to assure that the courts do not punish defendants who have made good faith efforts to remedy the technology failure. My goal is to provide incentives for fixing the potential Y2K failures before they happen, rather than create windfalls for those who litigate.

The bill would also encourage efficient resolution of failures by requiring plaintiffs to afford their potential defendants an opportunity to remedy the failure and make things right before facing a lawsuit. We should encourage people to talk to each other, to try to address and remedy problems in a timely and professional manner.

Physical injuries are not covered by the limitations on litigation and damages in this bill. In those instances where a computer date failure is responsible for personal physical injury, it is best to leave the remedy to existing state laws. Further, it would be imprudent policy to offer any ''safe harbor'' in such situations because to do so might have the undesired result of discouraging proactive remediation.

This bill is a starting point. It provides an opportunity to begin discussion. It is my intention to hold a hearing in the near future, and to bring this bill to mark-up as quickly as full discussion will permit. I know many of my colleagues are interested in addressing this issue as well, and I look forward to working with them, and with affected industries and consumers to arrive at an acceptable piece of legislation which will benefit industry and consumers alike.

By Mr. MCCAIN (for himself and Mr. HOLLINGS):

S. 97. A bill to require the installation and use by schools and libraries of a technology for filtering or blocking material on the Internet on computers with Internet access to be eligible to receive or retain universal service assistance; to the Committee on Commerce, Science, and Transportation.

CHILDREN'S INTERNET PROTECTION ACT

Mr. MCCAIN. Mr. President, I rise today to introduce The Children's Internet Protection Act, which is designed to protect children from exposure to sexually explicit and other harmful material when they access the Internet in school and in the library. This legislation is substantially similar to the Internet School Filtering Act, which I introduced in the last session of Congress.

This legislation, like its predecessor, comes to grips with one of the more unfortunate aspects of modern life: that the problems of modern life don't stop at the schoolhouse door. Societal problems like violence and drugs have become part of the curriculum of life at many schools.

Now, however, we are adding another problem to the list. And this particular wolf of a problem will walk into our schools disguised in the worthiest of sheeps' clothing: the Internet.

Today, pornography is widely available on the Internet. According to ''Wired'' magazine, today there are approximately 28,000 adult Web sites promoting hard and soft-core pornography. Together, these sites register many millions of ''hits'' by websurfers per day.

Mr. President, there is no question that some of the websurfers who are accessing these sites are children. Some, unfortunately, are actively searching for these sites. But many others literally and unintentionally stumble across them.

Anyone who uses seemingly innocuous terms while searching the World Wide Web for educational or harmless recreational purposes can inadvertently run into adult sites. For example, when the term ''H20'' was typed recently into a search engine, one of the first of over 36,000 sites retrieved led to another site titled ''www.hardcoresex.com.'' This site provided the typical warning to those under 18 not to enter—and then proceeded to offer a free, uncensored preview of the pornographic material on the site. And when the searcher attempted to escape from the site, new porn-oriented sites immediately opened.

Parents wishing to protect their children from exposure to this kind of material can monitor their children's Internet use at home. This is a parent's proper role, and no amount of governmental assistance or industry self-regulation will ever be as effective in protecting children as parental supervision. But parents can't supervise how their children use the Internet outside the home, in schools and libraries.

Mr. President, the billions of dollars per year the federal government will be giving schools and libraries to enable them to bring advanced Internet learning technology to the classroom will bring in the Internet's explicit online content as well. These billions of dollars will ultimately be paid for by the American people. So it is only right that if schools and libraries accept these federally-provided subsidies for Internet access, they have an absolute responsibility to their communities to assure that children are protected from online content that can harm them.

And this harm can be prevented. The prevention lies, not in censoring what goes onto the Internet, but rather in filtering what comes out of it onto the computers our children use outside the home.

Mr. President, Internet filtering systems work, and they need not be blunt instruments that unduly constrain the availability of legitimately instructional material. Today they are adaptable, capable of being fine-tuned to accommodate changes in websites as well as the evolving needs of individual schools and even individual lesson-plans. Best of all, their use will channel explicit material away from children while they are not under parental supervision, while not in any way inhibiting the rights of adults who may wish to post indecent material on the Web or have access to it outside school environs.

Mr. President, it boils down to this: The same Internet that can benefit our children is also capable of inflicting terrible damage on them. For this reason, school and library administators who accept universal service support to provide students with its intended benefits must also safeguard them against its unintended harm. I commend the efforts of those who have recognized this responsibility by providing filtering systems in the many educational facilities that already have Internet capability. This legislation assures that this responsibility is extended to all other institutions as they implement advanced technologies funded by federally-mandated universal service funds.

Mr. President, this bill takes a sensible approach. It requires schools receiving universal service discounts to use a filtering system on their computers so that objectionable online materials will not be accessible to students. Libraries with more than one computer are required to use a filtering system on at least one computer used by minors. Filtering technology is itself eligible to be subsidized by the E-rate discount. Schools and libraries must install and use filtering or blocking technology to be eligible to receive universal service fund subsidies for Internet access. If schools and libraries do not do so, they will not be eligible to receive universal service fund-subsidized discounts and will have to refund any E-rate subsidy funds already paid out.

Some have argued that the use of filtering technology in public schools and libraries would amount to censorship under the First Amendment. The Supreme Court has found, however, that obscenity is not protected by the First Amendment. And insofar as other sexually-explicit material is concerned, the bill will not affect an adult's ability to access this information on the Internet, and it will in no way impose any filtering requirement on Internet use in the home.

Perhaps most important, the bill prohibits the federal government from prescribing any particular filtering system, or from imposing a different filtering system than the one selected by the certifying educational authority. It thus places the prerogative for determining which filtering system best reflects the community's standards precisely where it should be: on the community itself.

Mr. President, more and more people are using the Internet each day. Currently, there may be as many as 50 million Americans online, and that number is expected to at least double by the millennium. As Internet use in our schools and libraries continues to grow, children's potential exposure to harmful online content will only increase. This bill simply assures that universal service subsidies will be used to defend them from the very dangers that these same subsidies are otherwise going to increase. This is a rational response to what could otherwise be a terrible and unintended problem.

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

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

S. 97

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 ''Childrens' Internet Protection Act''.

SEC. 2. NO UNIVERSAL SERVICE FOR SCHOOLS OR LIBRARIES THAT FAIL TO IMPLEMENT A FILTERING OR BLOCKING TECHNOLOGY FOR COMPUTERS WITH INTERNET ACCESS.

(a) IN GENERAL.—Section 254 of the Communications Act of 1934 (47 U.S.C. 254) is amended by adding at the end thereof the following:

''(l) IMPLEMENTATION OF AN INTERNET FILTERING OR BLOCKING TECHNOLOGY.—

''(1) IN GENERAL.—An elementary school, secondary school, or library that fails to provide the certification required by paragraph (2) or (3), respectively, is not eligible to receive or retain universal service assistance provided under subsection (h)(1)(B).

''(2) CERTIFICATION FOR SCHOOLS.—To be eligible to receive universal service assistance under subsection (h)(1)(B), an elementary or secondary school (or the school board or other authority with responsibility for administration of that school) shall certify to the Commission that it has—

''(A) selected a technology for computers with Internet access to filter or block material deemed to be harmful to minors; and

''(B) installed, or will install, and uses or will use, as soon as it obtains computers with Internet access, a technology to filter or block such material.

''(3) CERTIFICATION FOR LIBRARIES.—

''(A) LIBRARIES WITH MORE THAN 1 INTERNET-ACCESSING COMPUTER.—To be eligible to receive universal service assistance under subsection (h)(1)(B), a library that has more than 1 computer with Internet access intended for use by the public (including minors) shall certify to the Commission that it has installed and uses a technology to filter or block material deemed to be harmful to minors on one or more of its computers with Internet access.

''(B) LIBRARIES WITH ONLY 1 INTERNET-ACCESSING COMPUTER.—A library that has only 1 computer with Internet access intended for use by the public (including minors) is eligible to receive universal service assistance under subsection (h)(1)(B) even if it does not use a technology to filter or block material deemed to be harmful to minors on that computer if it certifies to the Commission that it employs a reasonably effective alternative means to keep minors from accessing material on the Internet that is deemed to be harmful to minors.

''(4) TIME FOR CERTIFICATION.—The certification required by paragraph (2) or (3) shall be made within 30 days of the date of enactment of the Childrens' Internet Protection Act, or, if later, within 10 days of the date on which any computer with access to the Internet is first made available in the school or library for its intended use.

''(5) NOTIFICATION OF CESSATION; ADDITIONAL INTERNET-ACCESSING COMPUTER.—

''(A) CESSATION.—A library that has filed the certification required by paragraph (3)(A) shall notify the Commission within 10 days after the date on which it ceases to use the filtering or blocking technology to which the certification related.

''(B) ADDITIONAL INTERNET-ACCESSING COMPUTER.—A library that has filed the certification required by paragraph (3)(B) that adds

another computer with Internet access intended for use by the public (including minors) shall make the certification required by paragraph (3)(A) within 10 days after that computer is made available for use by the public.

''(6) PENALTY FOR FAILURE TO COMPLY.—A school or library that fails to meet the requirements of this subsection is liable to repay immediately the full amount of all universal service assistance it received under subsection (h)(1)(B).

''(7) LOCAL DETERMINATION OF MATERIAL TO BE FILTERED.—For purposes of paragraphs (2) and (3), the determination of what material is to be deemed harmful to minors shall be made by the school, school board, library or other authority responsible for making the required certification. No agency or instrumentality of the United States Government may—

''(A) establish criteria for making that determination;

''(B) review the determination made by the certifying school, school board, library, or other authority; or

''(C) consider the criteria employed by the certifying school, school board, library, or other authority in the administration of subsection (h)(1)(B).''.

(b) CONFORMING CHANGE.—Section 254(h)(1)(B) of the Communications Act of 1934 (47 U.S.C. 254(h)(1)(B)) is amended by striking ''All telecommunications'' and inserting ''Except as provided by subsection (l), all telecommunications''.

SEC. 3. FCC TO ADOPT RULES WITHIN 4 MONTHS.

The Federal Communications Commission shall adopt rules implementing section 254(l) of the Communications Act of 1934 within 120 days after the date of enactment of this Act.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, and Mr. LOTT):

S. 98. A bill to authorize appropriations for the Surface Transportation Board for fiscal years 1999, 2000, 2001, and 2002, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SURFACE TRANSPORTATION BOARD REAUTHORIZATION ACT OF 1999

Mr. MCCAIN. Mr. President, today I am introducing the Surface Transportation Board (STB) Reauthorization Act of 1999. I am pleased Senator HOLLINGS, the Ranking member of Senate Committee on Commerce, Science, and Transportation and Majority Leader LOTT, also a distinguished member of our Committee, have joined me in sponsoring this important legislation.

The introduction of this bill on this, the first day in the 106th Congress for introducing legislation, is intended to demonstrate the firm commitment of the bill's sponsors to enact multi-year legislation extending the Board's authorization. Many of us worked toward enacting a reauthorization measure last year, but those efforts were unsuccessful due to matters generally unrelated to the Board itself. While those rail-related issues remain for some, I do not believe we should hold the STB's reauthorization hostage and believe we could consider dual-track measures—this reauthorization on the one hand and proposals for statutory changes on another. Although the dual-track did not succeed last Congress, I am hopeful that it can in the 106th Congress.

The Surface Transportation Board Reauthorization Act of 1999 is straight forward. First, it proposes to reauthorize the STB for the current fiscal year through 2002 and provide sufficient resources to ensure the Board is able to continue to carry out its very serious responsibilities and duties. Second, it proposes that the Board's Chairmanship be subject to Senate confirmation like a host of other Boards and Commissions throughout the Federal governmental, including the National Transportation Safety Board, the Commodity Futures Trading Commission, the Export-Import Bank, and the Consumer Product Safety Commission to name a few.

Mr. President, I want to inform my colleagues that the Senate Commerce Committee intends to fully explore the resource needs of the Board and also consider limited proposals for statutory changes advocated by some members. I know the Chairman of the Surface Transportation and Merchant Marine Subcommittee, Senator HUTCHISON, plans to hold hearings on the STB and continue the examination of STB actions affecting rail service and rail shipper problems which were initiated during the 105th Congress.

As I have stated on numerous occasions, rail service and rail shipper issues warrant serious consideration. These matters have received extensive and comprehensive examination under Subcommittee Chairman HUTCHISON's able leadership and will continue as important oversight issues under the Committee's jurisdiction. I strongly believe, however, specific rail service and rail shipper problems and cases are best resolved by the Board. That is why Congress must provide the Board with the resources and legal authority necessary for it to continue to carry out its statutory duties fully and fairly, and on a timely basis.

The STB is one of our smallest Federal entities and it has very limited resources. It is imperative that we reauthorize the Board so that it can continue to produce the vast workload it has achieved since its inception in 1996. We must do our part to assist the Board in fulfilling its statutory duties responsibly and independently. The Administration and Congress must also take necessary action to ensure a fully constituted Board.

I look forward to working on this important transportation legislation and hope my colleagues will agree to join with me and the other sponsors in expeditiously moving this necessary reauthorization through the legislative process.

Mr. HOLLINGS. Mr. President, I rise today to support the reauthorization of the Surface Transportation Board (Board). As I have said many times before, the Board performs a vital role regulating the interests of our railroad and other surface transportation industries. Under the able and forward-looking leadership of Linda Morgan, the Board's Chairman, who was with us on the Commerce Committee for many years, the Board with its small staff has put out more work, and higher quality work, than much larger agencies. Most significantly, unlike many other agencies, the Board is not afraid to tackle the hard issues, and to put out decisions that are fair, well-reasoned, and independent of political expediency. For example, the Board's unprecedented and focused actions in handling the recent rail service crisis in the West provided the appropriate mix of government intervention and private-sector initiative.

More recently, at the end of 1998, at the request of Chairman MCCAIN and Senator HUTCHISON, the Board reviewed rail competition and issued several decisions in controversial cases, and made several recommendations to Congress, that reflect a balanced and comprehensive view of the transportation industry and the fundamental issues that confront it. The Board recently released its findings. In rendering these decisions, the Board, which is accountable to Congress, has acted responsibly and has provided a valuable service in resolving issues within its jurisdiction such as the determination of market dominance, and in raising others, such as open access, more appropriately addressed by Congress.

As anyone who has read the comprehensive letter from Chairman MORGAN to Senators MCCAIN and HUTCHISON reporting on the Board's rail access and competition proceeding knows, the Board has acted creatively, aggressively, and decisively in tackling hard issues within its jurisdiction, and in making suggestions to Congress as to how to address remaining issues of contention between railroads and their shippers, and between railroads and their employees. One of its decisions finalized rules that for the first time provide various specific avenues for relief in cases of localized poor rail service, and another decision took steps to facilitate the review of rail rate reasonableness cases by eliminating certain evidentiary thresholds.

Linda Morgan as Board Chairman pressed the railroad industry to be more directly accountable to the needs of their customers, and has requested them to reach out directly to their shippers and employees. This has allowed the railroads to reach more settlements with their customers and employees than they have in many years. I commend the Board for initiating government action that results in private sector settlements. Ultimately this sort of settlement has greater chance of realistic dispute resolution. Congress should feel fortunate to have

an agency with the competence and credibility to move issues forward in such a positive direction.

Because we need the Board, and because the Board has done a fine job, I am here today supporting the introduction of a reauthorization bill. I know that some tough legislative issues regarding transportation regulation may come our way this session, and I look forward to working with the Board and my colleagues on those matters. Whatever the resolution of those matters, we need the stability and continuity in addressing these issues that reauthorization legislation for the Board will provide.

The Board, working with the law we gave it, has done its job. I want to thank the Board in general, and Chairman Morgan in particular, who has my unqualified support, for a job well done. The Board has been confronted with some of the most difficult and fundamental issues to challenge rail transportation in many years. The agency has met these issues head on with forthrightness and resolve, taking into account the interests of all parties. However, I am concerned for the Board's future; the Board has not had the opportunity to bring in new personnel to replace personnel that will be of retirement age. It is incumbent on us that we provide this agency the necessary resources to adequately train new personnel, and prepare them to address the rail and other surface issues of the future.

I think that much credit is due the Board for facilitating more private-sector dialogue, initiative, and resolution than has ever been undertaken before, and for raising and tackling issues in ways that have never been undertaken before. Once again, I commend the Board on a job well done. The Nation needs agencies like the Board, and I enthusiastically support the reauthorization bill.

By Mr. McCAIN (for himself, Mrs. HUTCHISON, Mr. STEVENS, Mr. CRAIG, Mr. WARNER, and Mr. ASHCROFT):

S. 99. A bill to provide for continuing in the absence of regular appropriations for fiscal year 2000; to the Committee on Appropriations.

GOVERNMENT SHUTDOWN ACT OF 1999

Mr. McCAIN. Mr. President, today I and Senator HUTCHISON, Senator STEVENS, Senator CRAIG, Senator WARNER, and Senator ASHCROFT are introducing the Government Shutdown Prevention Act of 1999. This bill creates a statutory continuing resolution as sort of a safety net funding mechanism, which would be triggered only if the Fiscal Year 2000 appropriation acts do not become law or if there is no governing continuing resolution in place after the start of Fiscal Year 2000.

Mr. President, this legislation is important. It must be done soon, and I intend to seek early action on this bill. I believe the lesson of the last 4 years is that we cannot allow the Government to be shut down again, nor can we allow the threat of a Government shutdown to be so imminent that we fiscal conservatives are forced to acquiesce to the appropriation of billions of dollars for projects that do not serve our nation's best interests.

What this legislation does is ensure that the Government will not shut down and that Government shutdowns cannot be used for political gain. This safety net continuing resolution basically would set spending for fiscal year 2000 at 98 percent of 1999 funding levels. The resolution would take effect only if the Congress and the President have not completed their work on time.

Mr. President, let me make it clear that this bill only applies to the Fiscal Year 2000 appropriations. I believe that it should be expanded to make the statutory continuing resolution a permanent safety net to prevent disruptive government shutdowns.

We all saw the effects of gridlock in the past. No one wins when the Government shuts down. Shutdowns only confirm the American people's suspicions that we are more interested in political gain than doing the nation's business. The American people are tired of gridlock. They want the Government to work for them, not against them.

Our Founding Fathers would have been ashamed of our inability to execute the power of the purse in a responsible fashion. I am sure they would have been quite shocked by the 27 days in late 1995 that the Government was shut down, the 13 continuing resolutions that had to be passed to provide temporary spending authority, and the almost $6 billion in blackmail money that was given to the Administration to ensure that the Government did not shut down a third time in Fiscal Year 1996.

Although Republicans shouldered the blame for the 1995 Government shutdown, President Clinton and his colleagues were equally at fault for using it for their political gain. Republicans were outmaneuvered by President Clinton because we did not realize that he was willing to use the budget process for his own political purposes.

We also cannot let the threat of another Government shutdown force us to adopt another fiscal debacle like the FY 1999 Omnibus Appropriations Bill. The political finagling that led to the extra $20 billion in pork-barrel spending in that bill made mockery of the budget process and insulted the intention of the framers to give Congress the power of the purse. The only reason the Congress passed such a monstrosity was the ever-present specter of another government shutdown and Washington gridlock in an election year.

The Government Shutdown Act of 1999 does not erode the power of the appropriators. It gives them ample opportunity to do their job. It is only if the appropriations process is not completed by the beginning of the fiscal year, that the safety net continuing resolution will go into effect. In addition, I emphasize that entitlements are fully protected in this legislation. The bill specifically states that entitlements such as Social Security—as obligated by law—will be paid regardless of what appropriations bills are passed or not passed.

We saw in 1995 how politically motivated government shutdowns hit all Americans hard. In my State of Arizona, during the Government shutdown the Grand Canyon was closed for the first time in 76 years. I heard from people who worked close to the Grand Canyon. These were not Government employees. These were independent small business men and women. They told me that the shutdown cost them thousands of dollars because people could not go to the park. According to a CRS report, local communities near national parks alone lost an estimated $14.2 million per day in tourism revenues as a direct result of the Government shutdown, for a total of nearly $400 million over the course of the shutdown.

The cost of the last Government shutdown cannot be measured in just dollars and cents. During the 1995 shutdown, millions of Americans could not get crucial social services. For example, 10,000 new Medicare applications, 212,000 Social Security card requests, 360,000 individual office visits and 800,000 toll-free calls for information and assistance were turned away each day. There were even more delays in services for some of the most vulnerable in our society, including 13 million recipients of AFDC, 273,000 foster care children, over 100,000 children receiving adoption assistance services and over 100,000 Head Start children—not to mention the new patients that were not accepted into clinical research centers, the 7 million visitors who could not attend national parks, or the 2 million visitors turned away at museums and monuments. And the list goes on and on.

In addition, our Federal employees were left in fear wondering whether they would be paid, would they have to go to work, would they be able to pay their bills on time. In my State of Arizona, for example, of the 40,383 Federal employees, over 15,000 of them were furloughed in the 1995 Government shutdown.

As bad as the 1995 government shutdown was, the fiscal nightmare known as the FY 1999 Omnibus Appropriations Bill, was equally repulsive. This 4,000-page, 40-pound, nonamendable, budget-busting bill provided over a half-trillion dollars to fund 10 Cabinet-level federal departments. To make matters worse, this bill exceeded the budget ceiling by $20 billion for what is

euphemistically called emergency spending. Much of this so-called ''emergency spending'' is really everyday, garden-variety, special interest, pork-barrel spending paid for by robbing billions from the budget surplus.

This monstrous bill passed because Congress was forced to either pass it, or face another government shutdown. The Government Shutdown Prevention Act of 1999 would make it more difficult for opportunistic politicians to put the American public at risk by threatening to shutdown essential government functions if Congress cannot agree on spending priorities and policies.

A 1991 GAO report confirmed that permanent funding lapse legislation is a necessity. In their report they stated, ''Shutting down the Government during temporary funding gaps is an inappropriate way to encourage compromise on the budget.''

Let us show the American people that we have learned our lessons from the 1995 Government shutdown and the 1998 fiscal debacle. Passing this preventive measure will go a long way to restore America's faith that politics or stalled negotiations will not stop Government operations. It will show our constituents that we will never again allow a Government shutdown or threat of a Government shutdown to be used for political gain.

We anticipate strong support from the Leadership, and urge them to move this legislation forward as soon as possible. This is must-pass legislation. Neither party can afford another breach of faith with the American people. Our constituents are tired of constantly being disappointed by the actions of Congress and the President. That is why this legislation is so important. Never again, should the American public's hard-earned dollars be used as ransom to prevent a politically motivated government shutdown.

By Mr. McCAIN:

S. 100. A bill to grant the power to the President to reduce budget authority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

THE SEPARATE ENROLLMENT ACT OF 1999

Mr. McCAIN. Mr. President, today, I will reintroduce the Separate Enrollment Act of 1999. This bil requires each targeted tax benefit or spending item in legislation to be enrolled as a separate bill before it is sent to the President. If the President chooses to veto one of these items, each of these vetoes would be returned to Congress separately for an override vote.

Last year, the Supreme Court struck down the line item vote on Constitutional grounds in a 6–3 decision. I was very saddened by this decision. Polls from previous years indicate that 83 percent of the American people support giving the President the line-item veto authority. We need the line-item veto to restore balance to the federal budget process.

The Supreme Court struck down the 1996 Line-Item Veto Act on the basis that the Constitution requires every bill to be presented to the President for his approval or disapproval. In other words, the decision was not based on the concept that transferring power to the President of the United States lacked constitutionally, but the fact that bills are to be sent to the President for approval in their entirety.

Separate enrollment as a line-item veto tool is not a new concept. This concept is not controversial. The Senate adopted S. 4, a separate enrollment bill in the 104th Congress, by a vote of 69 to 29.

Legal scholars contend that the separate enrollment concept is constitutional. Congress has the right to present a bill to the President of the United States. Separate enrollment merely addresses the question of what constitutes a bill. It does not erode or interfere with the presentment of the bill to the President. Under the rule-making clause, Congress alone can determine the procedures for defining and enrolling a bill. Separate enrollment is constitutional and will clearly work.

Separate enrollment, as a line-item veto tool, will be a vital force in eliminating wasteful, unnecessary pork-barrel spending. Unfortunately, as we saw last year, pork-barrel spending is alive and well.

On October 21, 1998, Congress passed the FY 1999 Omnibus Appropriations Bill—the worst example of pork-barrel spending in my memory. This was a 4,000 page, 40-pound, non-amendable, budget-busting bill which provided over a half-trillion dollars to fund 10 Cabinet-level federal departments. The bill exceeded the budget ceiling by $20 billion for what is euphemistically called emergency spending, much of which is really everyday, garden-variety, special-interest, pork-barrel spending, paid for by robbing billions from the budget surplus.

The omnibus spending bill made a mockery of the Congress' role in fiscal matters. It was a betrayal of our responsibility to spend the taxpayers' dollars wisely and enact laws and policies that reflect the best interests of all Americans, rather than the special interests of a few.

We cannot afford this magnitude of park-barrel spending when we have accumulated a multi-trillion dollar national debt. Right now, today, we use a huge portion of our federal budget to make the interest payments on the national debt. In fact, the annual interest payment almost equals the entire budget for national defense. We should be paying down the national debt, saving Social Security, and providing tax cuts for hard-working middle class Americans, not indulging in wasteful, unnecessary spending.

The objective of the Separate Enrollment bill, and the Line-Item Veto before it, is to curb wasteful pork-barrel spending by giving the President the authority to eliminate individual spending items. The Separate Enrollment Act of 1999 will be our new tool to restore fiscal responsibility to the way we spend Americans' hard-earned dollars.

This is not a partisan issue. The issue is fiscal responsibility. We have a President, we have 100 Senators, and we have 435 Representatives. It is hard to place responsibility upon any one person for profligate spending. Thus, no one is accountable for our runaway budget process.

Past Presidents have sought the line-time veto. Congress finally agreed in 1996, when we passed the Line-Item Veto Act, to give the President the ability to surgically remove wasteful spending for appropriations and authorization bills. It would also establish greater accountability in the Executive branch for fiscal decisions and provide much-needed checks and balances on Congressional spending sprees.

Unfortunately when given the Line-Item Veto authority in 1997, the President failed to exercise the authority in a meaningful fashion. Of over $8 billion in wasteful spending, he excised $491 million from the annual appropriations bills. And then the Supreme Court struck the Line-Item Veto Act down.

Restoring this power this year in the form of the Separate Enrollment Act would if exercised responsibly by the President, reduce the excesses of the congressional budget process that focus on locality-specific earmarking and cater to special interests, not the national interest.

Mr. President, I simply ask my colleagues to be fair and reasonable when addressing the issue of fiscal responsibility. The line-item veto, in the form of separate enrollment, is vital to curbing wasteful pork-barrel spending and restoring the American people's respect for their elected representatives.

By Mr. LUGAR (for himself, Mr. ROBERTS, Mr. CRAIG, Mr. FITZGERALD, and Mr. COCHRAN):

S. 101. A bill to promote trade in United States agricultural commodities, livestock, and value-added products, and to prepare for future bilateral and multilateral trade negotiations; to the Committee on Finance.

UNITED STATES AGRICULTURAL TRADE ACT OF 1999

Mr. LUGAR. Mr. President, I rise today to introduce legislation to open foreign markets for U.S. agricultural exports and raise the profile of agriculture in our nation's trade agenda.

By enacting the 1996 FAIR Act, commonly known as Freedom to Farm, we gave farmers the right to make planting decisions themselves, free from government controls. But the FAIR Act is a compact. Freedom to Farm means freedom to sell. In exchange for phasing out subsidies, Congress promised its efforts to secure free, fair, and open markets for U.S. agricultural products. The importance of exports to U.S. agriculture has never been greater. This legislation will improve opportunities, allowing us to take advantage of our dominant position in world food trade.

Each year, agricultural products make a positive contribution to our international balance of payments. No sector of the U.S. economy is more critically tied to international trade than agriculture. Approximately three out of ten acres of our agricultural production is exported. Farmers are reliant on the ability to export. We can only secure our farmers' and ranchers' future opportunities by removing trade barriers—those we impose on ourselves and those imposed by others.

Mr. President, this bill addresses several items, none of which is more important than sanctions reform. Unilateral economic sanctions often keep our farmers out of major markets. Such sanctions do not preclude the targeted country from buying agricultural commodities elsewhere. Rather, sanctions often have a more profound effect on our own country. U.S. competitors are often quick to offset the effect of our sanctions, in the process harming U.S. commercial interests. Contracts are lost and our status as a reliable business partner suffers. A cardinal test of foreign policy is to determine that, when we use sanctions internationally, our actions do less harm to ourselves than to others. Unilateral food sanctions fail that test.

Bans on food exports strike at the most basic human need, the availability of food. Authoritarian regimes can survive food sanctions. It is the people of these nations that suffer. The use of food as a weapon should, in most cases, be abandoned. This legislation exempts from unilateral economic sanctions humanitarian and commercial farm exports and gives the President the authority to waive the food exemption.

Mr. President, sanctions reform is only one aspect of improving market access. Significant tariff and non-tariff barriers still inhibit the free flow of agricultural goods. The World Trade Organization will hold an important meeting later this year in our own country. The talks which will commence at this meeting offer an important opportunity to expand overseas markets for our agricultural exports. One goal of this legislation is to achieve more fair and open conditions of trade, and the bill I introduce today provides important guidelines for these upcoming negotiations. It aims to open foreign markets and eliminate unfair and negative trade policy. Furthermore, a ''special 301'' provision for agriculture is included in this bill. This language is similar to S.219 which was introduced by Senator DASCHLE and Senator GRASSLEY in the 105th Congress and generated bi-partisan support within agriculture. It provides for an investigative process specifically tailored to agricultural trade. The U.S. Trade Representative will use this process to identify those countries which employ unfair trade practices against U.S. agricultural commodities and value-added products. Once in place, remedies which level the playing field are provided. This authority is important as we strive to break down trade barriers and eliminate practices which foreign countries use to bar U.S. agricultural exports.

The most important thing we can give to farmers is the ability to export their products abroad. We can give to our farmers the enhanced ability to sell their products in existing and untapped markets. Mr. President, U.S. agriculture is the most productive in the world. This legislation will allow us to take advantage of that position. I ask unanimous consent that the legislation and a summary be printed in the RECORD.

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

S. 101

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 ''United States Agricultural Trade Act of 1999''.

SEC. 2. OBJECTIVES FOR AGRICULTURAL NEGOTIATIONS.

It is the sense of Congress that the principal agricultural trade negotiating objectives of the United States for future multilateral and bilateral trade negotiations, including the World Trade Organization, shall be to achieve, on an expedited basis, and to the maximum extent feasible, more open and fair conditions for trade in agricultural commodities by—

(1) developing, strengthening, and clarifying rules for agricultural trade, including disciplines on restrictive or trade-distorting import and export practices, including—

(A) enhancing the operation and effectiveness of the relevant Uruguay Round Agreements designed to define, deter, and discourage the persistent use of unfair trade practices; and

(B) enforcing and strengthening rules of the World Trade Organization regarding—

(i) trade-distorting practices of state trading enterprises; and

(ii) the acts, practices, or policies of a foreign government which unreasonably—

(I) require that substantial direct investment in the foreign country be made as a condition for carrying on business in the foreign country;

(II) require that intellectual property be licensed to the foreign country or to any firm of the foreign country; or

(III) delay or preclude implementation of a report of a dispute panel of the World Trade Organization;

(2) increasing United States agricultural exports by eliminating barriers to trade (including transparent and nontransparent barriers);

(3) eliminating other specific constraints to fair trade and more open market access in foreign markets, such as export subsidies, quotas, and other nontariff import barriers;

(4) developing, strengthening, and clarifying rules that address practices that unfairly limit United States market access opportunities or distort agricultural markets to the detriment of the United States, including—

(A) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms that result in inadequate price transparency;

(B) unjustified restrictions or commercial requirements affecting new technologies, including biotechnology;

(C) unjustified sanitary or phytosanitary restrictions; and

(D) restrictive rules in the establishment and administration of tariff-rate quotas;

(5) ensuring that there are reliable suppliers of agricultural commodities in international commerce by encouraging countries to treat foreign buyers no less favorably than domestic buyers of the commodity or product involved; and

(6) eliminating barriers for meeting the food needs of an increasing world population through the use of biotechnology by ensuring market access to United States commodities derived from biotechnology that is scientifically defensible, opposing the establishment of protectionist trade measures disguised as health standards, and protesting continual delays by other countries in their approval processes—which constitute nontariff trade barriers.

SEC. 3. DEFINITIONS.

As used in this Act, the terms ''agricultural commodity'' and ''United States agricultural commodity'' have the meanings provided in section 102 (1) and (7) of the Agricultural Trade Act of 1978, respectively.

SEC. 4. AGRICULTURAL COMMODITIES, LIVESTOCK, AND PRODUCTS EXEMPT FROM SANCTIONS.

(a) DEFINITION—UNILATERAL ECONOMIC SANCTION.—The term ''unilateral economic sanction'' means any prohibition, restriction, or condition on economic activity, including economic assistance, with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other members of that regime have agreed to impose substantially equivalent measures.

(b) EXEMPTION.—

(1) IN GENERAL.—Subject to paragraph (2), and notwithstanding any other provision of law, in the case of a unilateral economic sanction imposed by the United States on another country, the following shall be exempt from the unilateral economic sanction—

(A) programs administered through Public Law 480 (7 U.S.C. 1701 et. seq.);

(B) programs administered through section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) the program administered through section 1113 of the Food Security Act of 1985 (7 U.S.C. 1736–1); and

(D) commercial sales and humanitarian assistance involving agricultural commodities.

(2) DETERMINATION BY PRESIDENT.—If the President determines that the exemption under paragraph (1) should not apply to the unilateral economic sanction for reasons of foreign policy or national security, the President may include the activities described in paragraph (1) in the unilateral economic sanction.

(c) CURRENT SANCTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the exemption under subsection (b) shall apply to unilateral economic sanctions that are in effect as of the date of enactment of this Act.

(2) PRESIDENTIAL REVIEW.—The President shall, within 90 days of the date of enactment of this Act, review all unilateral economic sanctions under this subsection to determine whether the exemption under subsection (b) should apply to the sanction.

(3) EFFECTIVE DATE.—The exemption under subsection (b) shall become effective for unilateral economic sanctions that are in effect on the date of enactment of this Act 180 days after the date of enactment of this Act unless the President has determined that the exemption should not apply to the sanction.

(d) REPORT.—

(1) IN GENERAL.—If the President determines that the exemption under subsection (b) should not apply to a unilateral economic sanction, the President shall provide a report to the Committee on Agriculture in the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry in the Senate—

(A) in the case of a unilateral economic sanction reviewed under subsection (c), within 15 days from the date of the determination in paragraph (2) of that subsection; and

(B) in the case of a unilateral economic sanction that is imposed after the date of enactment of this Act, at the time of the imposition of the sanction.

(2) CONTENTS OF REPORT.—The report shall contain—

(A) an explanation why, because of reasons of foreign policy or national security, the exemption should not apply to the unilateral economic sanction; and

(B) an assessment by the Secretary of Agriculture—

(i) regarding export sales—

(I) in the case of a sanction in effect as of the date of enactment of this Act, whether markets in the sanctioned country or countries present a substantial trade opportunity for export sales of a United States agricultural commodity; or

(II) in the case of any other sanction, the extent to which any country or countries to be sanctioned or likely to be sanctioned are markets that accounted for, in the preceding calendar year, more than 3 percent of all export sales from the United States of an agricultural commodity;

(ii) regarding the effect on United States agricultural commodities—

(I) in the case of a sanction in effect as of the date of enactment of this Act, the potential for exports of United States commodities in the sanctioned country or countries; and

(II) in the case of any other sanction, the likelihood that exports of agricultural commodities from the United States will be affected by the unilateral economic sanction or by retaliation by any country to be sanctioned or likely to be sanctioned, and specific commodities which are most likely to be affected;

(iii) regarding producer income—

(I) in the case of a sanction in effect as of the date of enactment of this Act, the potential for increasing the income of producers of the commodities involved; and

(II) in the case of any other sanction, the likely effect on incomes of producers of the commodities involved;

(iv) regarding displacement of United States suppliers—

(I) in the case of a sanction in effect as of the date of enactment of this Act, the potential for increased competition for United States suppliers of the agricultural commodity in countries that are not subject to a sanction; and

(II) in the case of any other sanction, the extent to which the unilateral economic sanction would permit foreign suppliers to replace United States suppliers; and

(v) regarding the reputation of United States farmers as reliable suppliers—

(I) in the case of a sanction in effect as of the date of enactment of this Act, whether removing the sanction would increase the reputation of United States farmers as reliable suppliers of agricultural commodities in general, and of specific commodities identified by the Secretary; and

(II) in the case of any other sanction, the likely effect of the proposed sanction on the reputation of United States farmers as reliable suppliers of agricultural commodities in general, and of specific commodities identified by the Secretary.

(e) EFFECTIVE DATE.—Except as provided in subsection (c)(3), this section shall become effective upon the date of enactment of this Act.

SEC. 5. CONGRESSIONAL OVERSIGHT AND CONSULTATION FOR AGRICULTURAL NEGOTIATIONS.

Section 161 of the Trade Act of 1974 (19 USC 2211) is amended by adding at the end a new subsection (d) that reads as follows—

''(d) CONGRESSIONAL OVERSIGHT GROUP FOR AGRICULTURAL NEGOTIATIONS.—

''(1) There is established a Congressional Oversight Group for Agricultural Negotiations (Oversight Group) that shall provide oversight and guidance with respect to agricultural trade policy and negotiation of agricultural trade issues.

''(A) Subject to clauses (i) and (ii), the Oversight Group shall consist of 3 members of the Committee on Agriculture, Nutrition, and Forestry of the Senate and 3 members of the Committee on Agriculture of the House of Representatives.

''(i) The President pro tempore of the Senate, upon the recommendation of the Chairman of the Committee on Agriculture, Nutrition, and Forestry, shall select two members from the majority party, and one member from the minority party, of the Senate.

''(ii) The Speaker of the House of Representatives, upon the recommendation of the Chairman of the Committee on Agriculture, shall select 2 members from the majority party, and one member from the minority party, of the House of Representatives.

''(B) Members of the House and Senate who are selected as members of the Oversight Group shall be accredited by the United States Trade Representative as official advisers to the United States delegations to international conferences, meetings, and negotiating sessions relating to agricultural trade policy and negotiation of agricultural trade issues.

''(2) All negotiating proposals by the United States and negotiations that affect agricultural trade shall be reviewed by the Oversight Group prior to an agreement being initialed by the President.

''(3) All information about negotiating proposals by the United States and foreign countries affecting agricultural trade negotiations shall be made available to the Oversight Group by the United States Trade Representative.

''(4) Within 60 days of enactment of this Act, the United States Trade Representative shall establish guidelines for ensuring the useful and timely supply of information to the Oversight Group and the communication of the oversight and guidance by the Oversight Group to the United States Trade Representative.

''(A) The guidelines shall establish procedures for the United States Trade Representative to provide to the Oversight Group—

''(i) information regarding the principal multilateral and bilateral negotiating objectives affecting agricultural trade, and the progress being made toward their achievement;

''(ii) information regarding the implementation, administration, and effectiveness of recently concluded multilateral and bilateral agricultural trade agreements and the resolution of agricultural trade disputes;

''(iii) a schedule for an initial meeting, prior to the commencement of negotiations involving agricultural trade, between the Oversight Group and the United States Trade Representative, about the objectives of the negotiations;

''(iv) written or oral briefings about the status of ongoing negotiations involving agricultural trade;

''(v) prior to the President initialing the trade agreement, written or oral briefings about the results of negotiations involving agricultural trade;

''(vi) information about changes in United States laws that are necessary as a result of the negotiations; and

''(vii) a schedule and procedure for the Oversight Group to provide advice and guidance to the United States Trade Representative regarding—

''(I) the negotiations involving agricultural trade; and

''(II) changes in United States laws that are necessary as a result of the negotiations.

''(B) The United States Trade Representative shall meet with the Oversight Group at a minimum on a quarterly basis, and as needed during a negotiation involving agricultural trade.

''(C) If determined necessary by either party, consultations between the Oversight Group and the United States Trade Representative may be conducted in executive session.

SEC. 6. SALE OR BARTER OF FOOD ASSISTANCE.

It is the sense of Congress that the amendment to section 203 of the Agricultural Trade Development and Assistance Act of 1954 (Pub. L. 480) made in section 208 of the Federal Agriculture Improvement And Reform Act of 1996 (Public Law 101–127) was intended to allow the sale or barter of United States agricultural commodities included in United States food assistance only within the recipient country or countries adjacent to the recipient country, unless such sale or barter within the recipient country or adjacent countries—

(1) is not practicable; and

(2) will not disrupt commercial markets for the agricultural commodity involved.

SEC. 7. TREATMENT OF UNITED STATES AGRICULTURAL COMMODITIES, LIVESTOCK, AND AGRICULTURAL PRODUCTS.

(a) IDENTIFICATION REQUIRED.—Chapter 8 of title I of the Trade Act of 1974 is amended by adding at the end the following:

"SEC. 183. IDENTIFICATION OF COUNTRIES THAT ENGAGE IN UNFAIR TRADE PRACTICES AFFECTING UNITED STATES AGRICULTURAL COMMODITIES.

''(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the annual report is required to be submitted to Congressional committees under section 181(b), the United States Trade Representative (hereafter in this section referred to as the 'Trade Representative') shall identify—

''(1) those foreign countries that—

''(A) deny fair and equitable market access to United States agricultural commodities through discriminatory nontariff trade barriers;

''(B) employ unfair export subsidies that adversely affect market share of United States exports of agricultural commodities; or

''(C) unreasonably delay or preclude implementation of a report of a dispute panel of the World Trade Organization; or

''(2) those foreign countries identified under paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

''(b) SPECIAL RULES FOR IDENTIFICATION.—

''(1) CRITERIA.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall only identify those foreign countries that—

''(A) engage in or have the most onerous or egregious acts, policies, or practices that deny fair and equitable market access to United States agricultural commodities;

''(B) engage in discriminatory nontariff trade barriers for the importation of United States agricultural commodities that are not based on public health concerns or cannot be substantiated by reliable analytical methods;

''(C) use unfair export subsidies;

''(D) unreasonably delay or preclude implementation of a report of a dispute panel of the World Trade Organization;

''(E) whose acts, policies, or practices described in subparagraphs (A)–(D) have the greatest adverse impact (actual or potential) on the relevant United States agricultural commodities; or

''(F) that are not negotiating in good faith about adopting fair and equitable trade practices, or making significant progress in bilateral or multilateral negotiations, in regards to United States agricultural commodities.

''(2) CONSULTATION AND CONSIDERATION REQUIREMENTS.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall—

''(A) consult with the Secretary of Agriculture and other appropriate officers of the Federal Government; and

''(B) take into account information from such sources as may be available to the Trade Representative and such information as may be submitted to the Trade Representative by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under section 302.

''(3) FACTUAL BASIS REQUIREMENT.—The Trade Representative may identify a foreign country under subsection (a)(1) only if the Trade Representative finds that there is a factual basis for identifying the foreign country as engaging in a trade practice under subsection (a)(1).

''(4) CONSIDERATION OF HISTORICAL FACTORS.—In identifying foreign countries under paragraphs (1) and (2) of subsection (a), the Trade Representative shall take into account—

''(A) the history of agricultural trade relations with the foreign country, including any previous identification under subsection (a)(2); and

''(B) the history of efforts of the United States, and the response of the foreign country, to achieve fair trade practices affecting trade in United States agricultural commodities.

''(c) REVOCATIONS AND ADDITIONAL IDENTIFICATIONS.—

''(1) AUTHORITY TO ACT AT ANY TIME.—If information available to the Trade Representative indicates that such action is appropriate, the Trade Representative may at any time—

''(A) revoke the identification of any foreign country as a priority foreign country under this section; or

''(B) identify any foreign country as a priority foreign country under this section.

''(2) REVOCATION REPORTS.—The Trade Representative shall include in the semiannual report submitted to the Congress under section 309(3) a detailed explanation of the reasons for the revocation under paragraph (1) of the identification of any foreign country as a priority foreign country under this section.

''(d) DEFINITIONS.—For purposes of this section, the terms ''agricultural commodity'' and ''United States agricultural commodity'' have the meanings provided in section 102 (1) and (7) of the Agricultural Trade Act of 1978, respectively.

''(e) PUBLICATION.—The Trade Representative shall publish in the Federal Register a list of foreign countries identified under subsection (a) and shall make such revisions to the list as may be required by reason of the action under subsection (c).

''(f) ANNUAL REPORT.—The Trade Representative shall, not later than the date by which countries are identified under subsection (a), transmit to the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the actions taken under this section during the 12 months preceding such report, and the reasons for such actions, including a description of progress made in achieving fair and equitable market access for United States agricultural commodities.

(b) REMEDIAL ACTIONS TO UNFAIR TRADE PRACTICES INVOLVING UNITED STATES AGRICULTURAL COMMODITIES, LIVESTOCK, AND AGRICULTURAL PRODUCTS.—

(1) Section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended—

(A) in subsection (a)(1) by inserting ''section 183(a) or'' after ''determines under'';

(B) in subsection (b) by inserting ''section 183(a) or'' after ''determines under'';

(C) in subsection (c)(1)—

(i) in subparagraph (C) by striking ''section; or'' and inserting ''section;''

(ii) in subparagraph (D) by striking ''paragraph (4).'' and inserting ''paragraph (4); or''; and

(iii) by adding a new subparagraph (E) that reads as follows:

''(E) with respect to an investigation of a country identified under section 183(a)—

''(I) take any action authorized under this subsection; and

''(II) to request that the Secretary of Agriculture target the use of existing United States export programs that are administered within the Department of Agriculture to the commodity that is subject to the unfair trade practice by the priority foreign country.

(c) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 182 the following:

''Sec. 183. Identification of Countries That Engage in Unfair Trade Practices Affecting United States Agricultural Commodities.''

(d) INVESTIGATION REQUIRED.—Subparagraph (A) of section 302(b)(2) of the Trade Act of 1974 (19 U.S.C. 2412(b)(2)(A)) is amended by inserting ''or 183(a)(2)'' after ''section 182(a)(2)'' in the matter preceding clause (i).

(e) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 302(b)(2) of such Act is amended by inserting ''concerning intellectual property rights that is'' after ''any investigation''.

(2) Subparagraph (B) of section 304(a)(3) of such Act is amended—

(A) by striking ''or'' at the end of clause (ii);

(B) by inserting ''or'' at the end of clause (iii); and

(C) by inserting immediately after clause (iii) the following new clause:

''(iv) the foreign country involved in the investigation is making substantial progress in drafting or implementing legislative or administrative measures that ensure the country engages in fair and equitable trade practices affecting United States agricultural commodities.''.

SEC.8. REALLOCATION OF UNOBLIGATED FUNDS.

(a) IN GENERAL.—The Secretary of Agriculture shall, on or about April 1 and July 1 of each fiscal year determine whether unobligated funds exist out of funds made available for the fiscal year for the Export Enhancement Program.

(b) Transfer to Food Assistance.

The Secretary may, on or about April 1 and July 1 of each fiscal year, with respect to any unobligated funds identified under subsection (a), apply the funds to—

(1) one or more of the programs administered through Public Law 480 (7 U.S.C. 1701 et. seq.);

(2) the purchase of agricultural commodities for donation through one of the programs administered through section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); and

(3) programs administered through Title II of the Trade Act of 1978 (7 U.S.C. 5621–5641).

(c) Use Within Same Fiscal Year. All funds identified under subsection (a) shall be obligated within the same fiscal year. Such funds may not be transferred under subsection (b) in a fiscal year subsequent to the fiscal year of the determination in subsection (a).

SUMMARY OF THE UNITED STATES AGRICULTURAL TRADE ACT OF 1999

1. Goals for Trade Negotiations—United States objectives for future multilateral and bilateral trade negotiations affecting agriculture, including the World Trade Organization (WTO), are to—increase market access for United States agricultural commodities, livestock, and value-added products, particularly for new products derived from biotechnology; eliminate nontariff import barriers such as quotas, discriminatory tariff-rate quotas, and unjustified sanitary and phytosanitary restrictions; eliminate export subsidies; eliminate trade-distorting practices of state trading enterprises; enforce current WTO rules and develop new rules that allow increased market access; and strengthen rules for implementing WTO dispute panel decisions.

2. Sanctions Reform—International trade in United States agricultural commodities, livestock, value-added products, and food assistance, are exempted from unilateral economic sanctions imposed by the United

States, if the transaction entails commercial sales or humanitarian assistance involving agricultural products.

If the President determines that this exemption should not apply to a current or future sanction because of foreign policy or national security considerations, the President can override the exemption. The President and the Secretary of Agriculture must provide a report to Congress for each sanction for which the President determines the exemption should not apply.

3. Congressional Agricultural Oversight Group—A Congressional Oversight Group, made up of House and Senate Agriculture Committee members, is established as a consulting and advisory group with the United States Trade Representative for future WTO and other multilateral and bilateral trade negotiations.

4. Food Assistance Resolution—A Sense of Congress resolution regarding the monetization of agricultural commodities in United States food assistance is included. The 1996 Farm Bill allowed such monetization. The resolution states that monetization should occur only in the recipient country or in adjacent countries, unless this is not practicable.

5. Super 301 for Agriculture—A procedure is established within the Office of the United States Trade Representative to identify countries that engage in unfair trade practices against U.S. agricultural commodities, livestock, and value-added products. Unfair trade practices in this context are discriminatory nontariff trade barriers, unfair export subsidies, and refusal by a country to implement a decision of a WTO dispute panel. This procedure parallels an investigative procedure that exists in current U.S. trade law for all U.S. products. If the Trade Representative makes such a determination, the Trade Representative is authorized to adopt remedies already provided in United States trade law, and the Secretary of Agriculture has the discretion to target the use of existing export programs within USDA to the commodity that is subject to the unfair trade practice.

6. Commodity Program Reallocation—The Secretary of Agriculture, for each fiscal year, is given the discretion to reallocate unobligated funds of the Export Enhancement Program to one of the Public Law 480 food assistance programs, the Food for Progress program, or one of the section 416 commodity donation programs. All affected funds must be obligated within the same fiscal year.

By Mr. ABRAHAM:

S. 102. A bill to provide that the Secretary of the Senate and the Clerk of the House of Representatives shall include an estimate of Federal retirement benefits for each Member of Congress in their semiannual reports, and for other purposes; to the Committee on Governmental Affairs.

THE CONGRESSIONAL PENSION DISCLOSURE ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise today to introduce the Congressional Pension Disclosure Act of 1999 which would require the Secretary of the Senate and the Clerk of the House of Representatives to disclose information relating to the pensions of Members of Congress. This legislation would require these officers to include in their semiannual reports to Congress detailed information relating to the Members pensions. The semiannual reports would then be available to the public for inspection.

The reports would include the individual pension contributions of Members; an estimate of annuities which they would receive based on the earliest possible date they would be eligible to receive annuity payments by reason of retirement; and any other information necessary to enable the public to accurately compute the Federal retirement benefits of each Member based on various assumptions of years of service and age of separation from service by reason of retirement.

The purpose of this legislation is to afford citizens their rightful opportunity to learn how public funds are being utilized. The taxpayers are not only entitled to know the various forms of compensation their elected officials are being paid, they are also entitled to make decisions about the reasonableness of such compensation.

My bill would make this information conveniently available to the public. I believe that this bill would eliminate the present shroud of secrecy which has surrounded the congressional pension system and give the public better access to information regarding their representatives in Congress.

I ask unanimous consent that the bill and section by section analysis be printed in the RECORD.

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

S. 102

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

SECTION 1. DISCLOSURE OF ESTIMATES OF FEDERAL RETIREMENT BENEFITS OF MEMBERS OF CONGRESS.

(a) IN GENERAL.—Section 105(a) of the Legislative Branch Appropriations Act, 1965 (2 U.S.C. 104a; Public Law 88–454; 78 Stat. 550) is amended by adding at the end the following new paragraph:

''(4) The Secretary of the Senate and the Clerk of the House of Representatives shall include in each semiannual report submitted under paragraph (1), with respect to Members of Congress, as applicable—

''(A) the total amount of individual contributions made by each Member to the Civil Service Retirement and Disability Fund and the Thrift Savings Fund under chapters 83 and 84 of title 5, United States Code, for all Federal service performed by the Member as a Member of Congress and as a Federal employee;

''(B) an estimate of the annuity each Member would be entitled to receive under chapters 83 and 84 of such title based on the earliest possible date to receive annuity payments by reason of retirement (other than disability retirement) which begins after the date of expiration of the term of office such Member is serving; and

''(C) any other information necessary to enable the public to accurately compute the Federal retirement benefits of each Member based on various assumptions of years of service and age of separation from service by reason of retirement.''.

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

SECTION-BY-SECTION ANALYSIS OF THE CONGRESSIONAL PENSION DISCLOSURE ACT OF 1999

A BILL TO PUBLICLY DISCLOSE FEDERAL RETIREMENT BENEFITS OF MEMBERS OF CONGRESS

Section 1 (a). Amending legislation.

This section provides that Section 105(a) of the Legislative Branch Appropriations Act of 1965 is amended to add the following new paragraph:

''The Secretary of the Senate and the Clerk of the House of Representatives shall include in each semiannual report submitted under paragraph (1), with respect to Members of Congress, as applicable:''

Section 1 (A). Contributions to retirement funds.

The semiannual report would state the total amount of contributions many by each Member to the Federal retirement plans (FERS or CSRS) while they performed Federal service as a Member of Congress and/or a Federal employee.

Section 1 (B). Estimate of annuity.

The semiannual report would include an estimate of the annuity each member would be entitled to receive—based upon the earliest possible date of retirement (other than disability retirement). This would be calculated based upon the expiration of the term of office the Member is serving.

Section 1 (C). Additional information.

Included in the semiannual report would be any additional information that would help the public accurately compute the Federal retirement benefits of members based on years of service and age of separation from service by reason of retirement.

Section 1(b). Effective date.

The bill would take effect 1 year after the date of enactment.

By Mr. ALLARD (for himself and Mr. ENZI):

S. 103. A bill to amend the Internal Revenue Code of 1986 to eliminate the temporary increase in unemployment tax; to the Committee on Finance.

LEGISLATION TO REPEAL THE TEMPORARY UNEMPLOYMENT SURTAX

Mr. ALLARD. Mr. President, today I introduce legislation to repeal the ''temporary'' 0.2 percent Federal Unemployment Tax (FUTA) surtax.

The ''temporary'' surtax was enacted in 1976 by Congress to repay the general fund of the Treasury for funds borrowed by the unemployment trust fund. Although the borrowings were repaid in 1987, Congress has continued to extend the surtax in tax bill after tax bill.

Since 1987, Congress has used extension of the surtax to help raise revenue to pay for tax packages. In fact, the surtax was most recently extended to help pay for the 1997 tax bill. The tax takes money out of the private economy for no valid reason.

By repealing the surtax, Congress will honor a promise that it made when the surtax was first enacted. Small businesses were told repeatedly that the tax was temporary and would be repealed when it was no longer needed to

finance the unemployment tax system. Clearly a tax is not temporary when it has already been in place for over twenty years. I would suggest at a minimum that if we are going to keep extending this tax, that we be honest with the American worker and small business owner and stop calling this tax ''temporary.''

Based on the original purpose, the surtax is no longer needed. The economy is experiencing the highest level of employment in decades, and all state unemployment funds have surpluses. It is inappropriate for the government to continue to raise excess unemployment taxes and then use the surplus for purposes completely unrelated to unemployment.

Repeal of the temporary unemployment surtax will also be beneficial to small businesses. The surtax is especially hard on the small businesses because they are often labor intensive. Any payroll tax is added directly to the employer's payroll costs. In fact, according to the National Federation of Independent Business, payroll taxes are the fastest growing federal tax burden on small business. It is also important to note that the payroll taxes must be paid whether the business experiences a profit or a loss.

As a former small businessman myself, I am particularly aware of this fact. I suspect that my view is similar to the view of many small business owners. It is one thing to have a surtax when unemployment is high and the surtax is necessary. However, it is totally unjustified when unemployment is at the lowest level in three decades.

Repeal of the 0.2 percent surtax will reduce the tax burden on employers and workers by $6 billion over the next five years.

Lower payroll taxes mean higher wages for workers. Although the employer appears to fully pay for the unemployment surtax and other payroll taxes, the economic evidence is strong that the cost is actually passed to workers in the form of lower wages.

Consistent tax relief will help to ensure that our economy remains the strongest and most vibrant in the world. Low taxes reduce unemployment and help ensure that future surtaxes are unnecessary.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, an editorial from the Wall Street Journal, and several charts that demonstrate the surpluses in each state fund be printed in the RECORD.

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

S. 103

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

SECTION. 1 REPEAL OF TEMPORARY UNEMPLOYMENT TAX.

Section 3301 of the Internal Revenue Code of 1986 (relating to rate of unemployment tax) is amended—

(1) by striking ''2007'' in paragraph (1) and inserting ''1999''; and

(2) by striking ''2008'' in paragraph (2) and inserting ''2000''.

[From the Wall Street Journal, Dec. 28, 1998]

FUTILE

The nation's secondary schools are gearing up to spend several hundred million in federal grants on ''school to work'' programs that purport to reduce youth unemployment. Indeed, under the 1993 School to Work Act, federal and state bureaucrats are running around the country like so many job fairies ''creating'' employment with a wave of the bureaucratic wand. If job growth is really what the government is after though, we know a simpler way to achieve it: kill off FUTA.

Employers know FUTA as the 0.8% payroll tax they must pay to Washington on the first $7,000 of every employee's wages. But this ridiculous-sounding levy—the letters stand for Federal Unemployment Tax Act—is more than just another troubling mandate. It is an object lesson in how a federal employment program can run amok.

When lawmakers originally imposed the tax to build a network of unemployment services in 1939, they were responding to an extraordinary problem: joblessness ranged close to 18%. Yet long after the Depression faded, FUTA remained on the books.

Like most other New Deal acronyms, FUTA achieved tax immortality, surviving decades of prosperity. The mid-1970's' spike in unemployment created an excuse to ''temporarily'' increase FUTA rates. Needless to say, that increase was never reversed. Indeed, the third largest tax hike in the Taxpayer Relief Act of 1997 was an extension of a FUTA surtax to 2007. Today, joblessness is at a historic low. Yet FUTA tax rates are higher than they were in 1975, when unemployment was 8.5%.

Then there's the question of what FUTA revenues actually pay for. FUTA isn't supposed to do anything as useful as pay unemployment benefits to workers who have been laid off. Employers are the ones who have to do that. No, FUTA money is earmarked toward salaries for bureaucrats in state unemployment offices. This is a dubious project in any era, and an absurd one in a time of worker shortage like this one.

And here's the kicker: Much of the FUTA money doesn't even make it to these superfluous employment offices. Mark Wilson of the Heritage Foundation found that little more than half of the $6.1 billion in FUTA revenues collected in 1997 ended up being spent on FUTA's official mandate. The rest of the money went straight to the federal government's ''general revenues,'' traded against Treasury IOUs. In other words, right into the government's maw.

Washington robs FUTA in the same way it steals money from Social Security's trust fund till. As the years pass, of course, the burgeoning economy is making FUTA an even better cash machine. Today the FUTA trust fund contains $23.1 billion, about double what it held just three years ago. No wonder lawmakers get all sanctimonious about FDR when the topic of limiting FUTA comes up.

This is a shame, since FUTA does indeed kill more jobs than it finds. The FUTA tax, like Social Security, the minimum wage, or other mandates, hits businesses on the margin, where additional work is created. In times of downsizing, as we saw in the early 1990s, these bugaboos drive layoffs.

The National Federation of Independent Business, a small business lobby, lists FUTA as one of the big employment burdens. FUTA also punishes workers who do have jobs, since employers pass along the costs to them in the form of lower wages. Sen. Wayne Allard (R., Colo.) has put forward legislation to pare FUTA. It is a reform long past due.

STATE UNEMPLOYMENT COMPENSATION SYSTEM RESERVES AND RATIO OF RESERVES TO TOTAL WAGES BY STATE AND YEAR, 1991–1995

State	Net reserves as of Dec. 31 of each year (thousands)					Ratio of year-end reserves to total wages (percent)				
	1995	1994	1993	1992	1991	1995	1994	1993	1992	1991
Alabama	$534,470	$551,842	$570,118	$550,280	$585,725	1.61	1.77	1.94	1.96	2.24
Alaska	201,017	210,563	232,911	232,320	243,155	3.56	3.81	4.32	4.57	4.98
Arizona	534,640	432,449	368,782	372,423	437,667	1.48	1.33	1.26	1.36	1.71
Arkansas	200,866	169,795	134,432	81,340	103,629	1.12	1.02	0.87	0.55	0.76
California	2,104,220	2,092,695	2,450,402	2,786,713	4,190,197	0.68	0.72	0.87	0.99	1.52
Colorado	480,582	434,482	390,435	339,246	312,036	1.22	1.21	1.15	1.10	1.09
Connecticut	116,692	3,311	1,062	(653,215)	(353,767)	0.27	0.01	0.00	0.00	0.00
Delaware	271,807	244,013	225,943	218,719	223,685	3.24	3.14	3.05	3.04	3.20
District of Columbia	68,636	41,141	5,937	(19,286)	12,465	0.57	0.35	0.05	0.00	0.12
Florida	1,806,432	1,621,614	1,505,570	1,443,603	1,691,814	1.53	1.47	1.45	1.47	1.84
Georgia	1,453,118	1,281,507	1,094,999	965,870	962,324	2.03	1.95	1.79	1.68	1.81
Hawaii	213,496	232,859	310,155	362,123	420,991	2.07	2.26	3.01	3.57	4.39
Idaho	243,090	245,096	247,823	240,141	243,573	2.88	3.14	3.49	3.67	4.09
Illinois	1,629,210	1,247,066	851,918	847,622	1,172,283	1.22	0.99	0.71	0.74	1.08
Indiana	1,228,070	1,132,343	1,024,658	941,632	899,139	2.16	2.11	2.05	1.99	2.02
Iowa	725,149	708,450	655,066	615,474	594,626	3.10	3.23	3.20	3.16	3.27
Kansas	704,008	735,717	658,053	605,827	571,904	2.77	3.20	3.03	2.89	2.91
Kentucky	470,826	425,682	402,311	364,287	357,940	1.61	1.55	1.57	1.49	1.58
Louisiana	1,003,378	868,819	689,382	600,917	559,975	3.15	2.92	2.47	2.22	2.15
Maine	95,289	74,621	51,403	35,108	77,553	1.06	0.87	0.62	0.44	1.01
Maryland	605,415	408,994	219,071	145,839	224,970	1.36	0.96	0.54	0.37	0.59
Massachusetts	527,273	184,933	(115,987)	(379,918)	(234,742)	0.70	0.26	0.00	0.00	0.00
Michigan	1,497,688	866,906	364,530	(72,492)	(166,509)	1.45	0.90	0.42	0.00	0.00
Minnesota	459,621	369,776	257,584	224,091	309,473	0.94	0.80	0.59	0.54	0.80

STATE UNEMPLOYMENT COMPENSATION SYSTEM RESERVES AND RATIO OF RESERVES TO TOTAL WAGES BY STATE AND YEAR, 1991–1995—Continued

State	Net reserves as of Dec. 31 of each year (thousands)					Ratio of year-end reserves to total wages (percent)				
	1995	1994	1993	1992	1991	1995	1994	1993	1992	1991
Mississippi	551,318	490,392	410,259	345,352	348,593	3.19	2.98	2.74	2.48	2.69
Missouri	196,933	118,466	(7,749)	3,101	199,473	0.40	0.26	0.00	0.001	0.30
Montana	122,242	110,910	104,415	96,370	91,119	2.08	1.95	1.91	1.87	1.91
Nebraska	194,283	188,365	171,938	160,713	146,184	1.45	1.51	1.49	1.46	1.42
Nevada	297,866	289,804	238,398	233,667	295,919	1.69	1.70	1.68	1.79	2.46
New Hampshire	250,884	211,580	164,455	129,582	127,995	2.25	2.06	1.71	1.38	1.46
New Jersey	1,987,790	1,947,033	1,965,236	2,439,970	2,564,278	2.06	2.12	2.23	2.86	3.16
New Mexico	354,874	317,264	271,194	238,999	220,932	3.25	3.13	2.91	2.77	2.73
New York	248,978	190,467	129,409	213,914	1,191,450	0.12	0.10	0.07	0.12	0.69
North Carolina	1,531,117	1,555,329	1,514,674	1,387,170	1,373,719	2.27	2.49	2.60	2.52	2.70
North Dakota	57,415	58,641	56,267	50,306	50,914	1.41	1.55	1.59	1.51	1.64
Ohio	1,600,533	1,166,837	845,054	602,464	647,410	1.46	1.13	0.88	0.65	0.74
Oklahoma	521,683	474,866	437,800	418,907	426,398	2.32	2.21	2.13	2.10	2.24
Oregon	905,985	994,533	1,096,695	1,054,524	1,043,810	3.21	3.86	4.63	4.71	4.98
Pennsylvania	1,914,777	1,518,999	1,105,425	807,828	1,155,988	1.78	1.48	1.12	0.84	1.26
Puerto Rico	634,291	674,663	730,873	749,255	750,020	6.71	7.54	8.39	9.05	9.64
Rhode Island	110,086	119,262	119,294	104,498	143,617	1.33	1.51	1.56	1.41	2.03
South Carolina	556,650	502,237	467,494	433,442	455,097	1.84	1.79	1.77	1.73	1.92
South Dakota	51,622	51,208	49,773	50,416	49,701	1.09	1.16	1.23	1.34	1.45
Tennessee	822,821	747,477	672,261	603,130	612,653	1.66	1.62	1.58	1.50	1.67
Texas	584,866	480,322	445,633	586,472	942,734	0.34	0.30	0.30	0.41	0.69
Utah	468,030	411,411	366,524	342,146	327,893	2.93	2.86	2.82	2.83	2.96
Vermont	206,720	195,418	183,025	180,730	192,675	4.51	4.51	4.37	4.49	5.05
Virginia	788,787	658,588	553,441	506,641	591,166	1.27	1.13	1.01	0.97	1.19
Virgin Islands	40,064	40,843	51,575	47,416	43,241	6.86	6.67	6.60	7.32	7.31
Washington	1,417,701	1,565,417	1,743,146	1,766,006	1,707,604	2.93	3.45	4.05	4.18	4.40
West Virginia	164,036	161,671	154,512	140,517	157,124	1.44	1.47	1.49	1.38	1.62
Wisconsin	1,503,641	1,400,119	1,241,918	1,194,553	1,171,822	3.06	3.03	2.87	2.90	3.07
Wyoming	142,310	136,755	127,332	109,826	98,952	4.22	4.15	4.08	3.71	3.48
Total	35,403,296	31,343,551	28,187,816	27,111,772	31,494,605	1.40	1.32	1.25	1.25	1.49

Difference between detail and totals due to rounding 1995 data subject to revision. Ratio of reserves to wages not calculated for States with negative balances.
Source: U.S. Department of Labor. Prepared by the National Foundation for U.C. & W.C., June 1997.

FINANCIAL INFORMATION BY STATE FOR CY96.4, 1996

State	Revenue (12 mos) (in thousands)	TF Balance (in thousands)	Mos. in TF	Total loans (in thousands)	Loans/cov. employee
Alabama	134,029	483,472	27.3	0	0.00
Alaska	109,089	194,188	19.8	0	0.00
Arizona	223,143	627,059	46.3	0	0.00
Arkansas	169,670	202,784	13.0	0	0.00
California	3,590,823	2,877,452	11.7	0	0.00
Colorado	187,897	510,956	32.5	0	0.00
Connecticut	592,538	277,861	7.4	0	0.00
Delaware	68,409	258,468	31.9	0	0.00
Dist. of Colum	133,380	99,368	12.2	0	0.00
Florida	677,796	1,947,557	35.2	0	0.00
Georgia	382,294	1,634,073	67.0	0	0.00
Hawaii	179,540	211,267	13.3	0	0.00
Idaho	105,900	266,228	32.1	0	0.00
Illinois	1,199,050	1,638,560	15.2	0	0.00
Indiana	238,343	1,273,086	58.0	0	0.00
Iowa	133,905	718,845	45.9	0	0.00
Kansas	42,487	651,074	52.6	0	0.00
Kentucky	234,997	501,304	25.7	0	0.00
Louisiana	204,469	1,131,052	94.7	0	0.00
Maine	122,601	112,122	12.5	0	0.00
Maryland	421,722	690,786	22.9	0	0.00
Massachusetts	1,130,136	914,631	14.0	0	0.00
Michigan	1,233,803	1,830,928	21.8	0	0.00
Minnesota	386,523	513,033	16.4	0	0.00
Mississippi	99,520	553,222	50.0	0	0.00
Missouri	381,576	307,507	12.8	0	0.00
Montana	58,841	125,900	24.9	0	0.00
Nebraska	41,748	195,210	44.8	0	0.00
Nevada	177,064	348,278	28.6	0	0.00
New Hampshire	41,781	268,011	91.7	0	0.00
New Jersey	1,448,896	2,028,818	13.1	0	0.00
New Mexico	85,729	385,531	59.6	0	0.00
New York	2,211,440	470,400	2.8	0	0.00
North Carolina	113,075	1,355,565	39.6	0	0.00
North Dakota	24,364	50,072	19.1	0	0.00
Ohio	781,640	1,750,968	28.8	0	0.00
Oklahoma	128,728	563,895	64.3	0	0.00
Oregon	384,046	941,419	28.9	0	0.00
Pennsylvania	1,612,406	2,031,947	14.9	0	0.00
Puerto Rico	149,262	595,703	31.8	0	0.00
Rhode Island	184,004	116,240	7.4	0	0.00
South Carolina	208,829	603,410	36.2	0	0.00
South Dakota	12,291	49,542	39.9	0	0.00
Tennessee	284,220	826,526	30.8	0	0.00
Texas	1,014,460	642,233	7.7	0	0.00
Utah	96,262	523,880	89.2	0	0.00
Vermont	48,595	218,259	49.5	0	0.00
Virginia	260,890	897,198	55.4	0	0.00
Virgin Islands	9,345	42,069	51.5	0	0.00
Washington	644,606	1,332,508	19.7	0	0.00
West Virginia	130,182	157,345	12.8	0	0.00
Wisconsin	445,248	1,556,922	37.2	0	0.00
Wyoming	28,401	147,087	54.0	0	0.00

FINANCIAL INFORMATION BY STATE FOR CYQ, 1997

State	Revenues, last 12 months (in thousands)	TF balance (in thousands)	TF as percent of total wages [1]
Alabama	$140,978	$451,425	1.21
Alaska	131,645	202,416	3.46
Arizona	224,651	741,050	1.70
Arkansas	183,101	204,319	1.03
California	3,367,845	3,737,815	1.05
Colorado	198,748	574,413	1.22
Connecticut	637,125	532,692	1.06
Delaware	75,692	279,173	2.86
District of Col	132,481	135,627	0.94
Florida	685,668	2,090,222	1.55
Georgia	350,964	1,797,102	2.13
Hawaii	186,510	216,658	2.04
Idaho	99,412	280,382	3.00
Illinois	1,226,328	1,742,968	1.16
Indiana	268,016	1,362,463	2.15
Iowa	144,156	727,327	2.79
Kansas	46,633	606,735	2.16
Kentucky	269,075	571,366	1.71
Louisiana	213,963	1,275,668	3.55
Maine	118,089	136,019	1.35
Maryland	349,967	720,552	1.42
Massachusetts	1,222,144	1,446,164	1.64
Michigan	1,184,719	2,222,714	1.93
Minnesota	398,707	564,628	0.98
Mississippi	166,992	563,901	2.95
Missouri	381,802	417,706	0.75
Montana	65,306	135,604	2.11
Nebraska	57,932	205,727	1.33
Nevada	224,837	387,888	1.79
New Hampshire	26,426	278,296	2.16
New Jersey	1,459,837	2,384,916	2.21
New Mexico	99,244	431,159	3.61
New York	2,402,806	990,176	0.43
North Carolina	253,942	1,301,184	1.67
North Dakota	26,246	38,057	0.83
Ohio	719,622	1,874,943	1.53
Oklahoma	107,585	608,942	2.36
Oregon	462,961	1,068,843	3.13
Pennsylvania	1,587,542	2,253,703	1.87
Puerto Rico	203,816	586,659	5.30
Rhode Island	248,423	160,044	1.78
South Carolina	219,733	687,060	2.02
South Dakota	14,186	48,939	0.91
Tennessee	296,749	847,842	1.52
Texas	1,014,596	706,577	0.35
Utah	97,876	572,849	2.97
Vermont	50,047	233,537	4.59
Virgin Islands	7,693	45,434	6.82
Virginia	222,448	979,376	1.35
Washington	810,440	1,447,195	2.42
West Virginia	139,030	165,917	1.37
Wisconsin	475,595	1,632,214	2.95
Wyoming	31,217	158,573	4.26
United States	23,731,544	43,833,157	1.51

[1] Based on estimated wages for the most recent 12 months.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 105. A bill to deauthorize certain portions of the project for navigation, Bass Harbor, Maine, to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 106. A bill to amend the Water Resources Development Act of 1996 to deauthorize the remainder of the project at East Boothbay Harbor, Maine; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 107. A bill to deauthorize the project for navigation, Boothbay Harbor, Maine; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself and Ms. COLLINS):

S. 108. A bill to modify, and to deauthorize certain portions of, the project for navigation at Wells Harbor, Maine; to the Committee on Environment and Public Works.

LEGISLATION TO DEAUTHORIZE CERTAIN PORTIONS OF THE PROJECT FOR NAVIGATION IN THE STATE OF MAINE

Ms. SNOWE. Mr. President, I rise today to thank my colleagues for their support in the last Congress for my legislation on behalf of the towns of Tremont and East Boothbay, Maine, which passed the Senate in the 105th Congress. S. 1531 sought to deauthorize certain portions of the navigational project for Bass Harbor, and S. 1532 sought to deauthorize the final portions of East Boothbay Harbor.

I also want to thank my colleagues for their support and Senate passage of the reauthorization of the Water Resources Development Act of 1998, or WRDA, which not only included these two stand alone bills, but also contained legislation that deauthorized the Federal Navigation Project area within the limits of Boothbay Harbor's inner harbor. The town's representatives had voted unanimously to request this deauthorization of the FNP area.

Also, WRDA was amended on the floor to add language that would allow for the dredging of Wells Harbor. After many contentious years, this important federal project is set to go forward because a historic Memorandum of Agreement was reached amongst the town of Wells, the Save our Shores Wells coalition, the Wells Chamber of Commerce and the Maine Audubon Society.

Bass Harbor has the greatest concentration of fishing boats on Mt. Desert Island and all mooring spaces are currently full, with a long waiting list to obtain future moorings. When the townspeople approached the U.S. Army Corps of Engineers to obtain a permit for expansion, they were told that no improvements could be made until the federal project area boundary was moved to the proper location by legislative action. I am happy to do this on their behalf. The Selectmen, Town Manager, and Harbor Committee will not be working with the Corps and the State in anticipation of having the harbor dredged, which last occurred in 1966, so that they may make space available for more and larger boats.

The bill for East Boothbay Harbor deauthorize the remainder of the federal navigational project at Boothbay Harbor. The current marina owners purchased the former shipbuilding yard in East Boothbay in 1993 and have since turned it into a full service marina. In the process of getting all the permits together for further economic development, the marina discovered that parts of the harbor, while no longer used as such, were still deemed a federal navigation project created back in 1913, when mine sweepers and other ships were being built there for World War I. Because part of the federal navigation project is still considered active, the Corps told the town that nothing could be done in the water until the entire area was deauthorized. My bill takes care of this final deauthorization, the rest of which was accomplished in the last reauthorization of the Water Resources Development Act, but the coordinates were ultimately found to be inaccurate. This legislation, with the assistance of the Corps, addresses that small section still requiring deauthorization.

The Town of Boothbay Harbor, Maine has requested legislation be enacted that will deauthorize the Federal Navigation Project area within the limits of Boothbay Harbor's inner harbor. To this end, I am introducing a bill, drafted with the assistance of the U.S. Army Corps of Engineers, and approved unanimously by the town's representatives.

I am also introducing legislation to address the dredging of Wells Harbor, which will deepen and maintain the harbor and, at the same time, protect an important federal wildlife refuge. The language, which was also included in the Senate passed WRDA of 1998, gives the Army Corps of Engineers (Corps) the authority to proceed with the project. The dredging of this federal project, contentious since 1988 because of concerns from environmental groups, is now set to go forward because of a historic Memorandum of Agreement that has been reached amongst the community and town officials, and the Maine Audubon Society. Interestingly, approximately 185,000 cubic yards of the sand to be dredged will be used to nourish adjacent eroding beaches in the town of Wells, so the project is a win-win situation for all concerned.

My stand alone bill, which will also once again be incorporated into WRDA, will allow the Corps to conduct maintenance dredging in Wells Harbor based on a design capacity for the harbor of 150 vessels, of which approximately 10 percent are commercial fishing boats. A small craft fleet of 150 is the original congressionally authorized design capacity for the harbor, and was a crucial part of the Agreement.

In addition, all parties to the settlement have agreed to a modification of the federal project, requiring Congressional action, that would realign and redesignate the existing federal channel, anchorage, and realign with the harbor settling basin, so as to maximize the use of the natural channels in the harbor for navigation and anchorage purposes. This will eliminate the impact of dredging on the intertidal sand bar, which is considered to be the geologically stabilizing force for the estuary. The language, drafted with Corps assistance, will create a new settling basin in the outer harbor, relocate the inner harbor channel to the east side of the harbor, and redesignate portions of the current channel and settling basin as anchorage.

The State of Maine issued water quality certification and coastal zone

management consistency in November of 1998, conditioned on the project modifications in my legislation and that were passed by the Senate in the WRDA of 1998.

Another critical component of the Agreement for all the parties is the U.S. Fish and Wildlife Service's request, also supported by the Maine Audubon Society, that the Corps expand the area covered by the bathymetric survey work that it will already be conducting as part of the monitoring program for the harbor. The State and the parties have agreed that the additional survey will provide important and useful information about the erosional impacts of dredging in the harbor. I have asked the Corps to make a good faith effort to honor this request.

Again, I congratulate the parties in the state for what I realize is a fragile Agreement and wish to help bring this long standing matter to the best conclusion possible both for the economy of the town of Wells and the environment of the harbor, the Rachael Carson Wildlife Refuge nearby and the Wells National Estuarine Research Reserve, in which the harbor lies.

I want to thank Senator CHAFEE and his Environment and Public Works Committee for their work for successful Senate passage for these bills in the last Congress. When passed again by the Senate and by the House—and signed into law—the legislation will allow the Maine towns involved to get on with much needed harbor economic development and dredging.

I once again thank my colleagues and ask for their continued support for passage of these bills, and I especially want to urge the House to also move forward on WRDA reauthorization. One project in one district in one state should not hold up the passage of this important legislation as was the situation last year. This legislation will help the economy of small towns in Maine—and many other locations around the country—who desperately need harbor reauthorization or dredging.

By Mr. COVERDELL (for himself and Mr. CLELAND):

S. 109. A bill to improve protection and management of the Chattahoochee River National Recreation Area in the State of Georgia; to the Committee on Energy and Natural Resources.

CHATTAHOOCHEE NATIONAL RECREATION AREA BOUNDARIES LEGISLATION

Mr. COVERDELL. Mr. President, today I introduce legislation which would modify the boundaries of the Chattahoochee River National Recreation Area to protect and preserve the endangered Chattahoochee River and provide additional recreation opportunities for the citizens of Georgia and our nation. This legislation authorizes the creation of a greenway buffer between the river and private development to prevent further pollution, provide flood and erosion control, and maintain water quality for safe drinking water and for the fish and wildlife dependent on the river system. In addition, this legislation promotes private-public partnerships by authorizing $25 million in federal funds for land acquisition for the recreation area. The $25 million will be matched by private funds. The State of Georgia, private foundations, corporate entities, private individuals, and others have already given or pledged tens of millions of dollars to protect and preserve the Chattahoochee River for future generations of Georgians to enjoy.

I would like to thank Senator CLELAND for co-sponsoring this important legislation and supporting my efforts to protect one of Georgia's most vital natural resources. I believe it is crucial for Congress to act quickly on this legislation in order to protect the Chattahoochee River from any further development and environmental damage. I look forward to working with Senator CLELAND and my other colleagues in the Senate on this important proposal and urge its speedy consideration.

By Mr. SMITH of Oregon:

S. 110. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a federally-funded screening program; to the Committee on Finance.

THE BREAST AND CERVICAL CANCER TREATMENT ACT OF 1999

Mr. SMITH of Oregon. Mr. President, this evening, the President of the United States will speak to the 106th Congress and the country in his annual State of the Union address. As distracted as we appropriately are by the Senate trial of the President, it is nevertheless my hope that the Senate, by the conclusion of the 106th Congress, will have enacted a strong bipartisan agenda reflecting several core principles. First, we must ensure that our public education system provides a high-quality, safe learning environment for all children; second, we must help working families save for the future; and third, we must support policies that increase access to health care services and improve the quality of health care in this nation.

With respect to the third principle, I rise today to introduce the ''Breast and Cervical Cancer Treatment Act of 1999'', legislation that my former colleague, Senator D'Amato from New York, proposed in the 105th Congress. Last year, this legislation received bipartisan support in the Senate with 35 cosponsors, and 113 cosponsors in the House of Representatives, demonstrating our commitment to improving the health and lives of low-income women in the United States.

Mr. President, whether we stand here as fathers, husbands, brothers or sons, mothers, daughters, sisters or grandchildren, we all know someone, a family member or a friend, who has experienced the devastating emotional and physical effects of breast or cervical cancer. In my state of Oregon, more than 28,000 women are living with breast cancer. In 1999, 500 women will die of breast cancer, and 200 women will die of cervical cancer. In an age of advancing technology and improved mammography, this is unacceptable, and unbelievable. We can and must do a better job for the women most at risk in this country.

The legislation I am introducing today, gives us an opportunity to expand upon an existing program that was enacted by Congress in 1990. The Breast and Cervical Cancer Mortality Prevention Act created a breast and cervical cancer screening program for low-income and uninsured women, and women of racial and ethnic minority populations throughout the United States. In its eighth year at the Centers for Disease Control (CDC) more than 1.3 million screening tests for breast and cervical cancer were provided. The CDC estimates that if such services were available to all women at risk, 15–20 percent of all deaths from breast cancer among women over 40 could have been prevented.

Recognizing the success of this screening program, the only question that remains is the availability of treatment. For a low-income or uninsured woman, a diagnosis of breast or cervical cancer means that the fight has just begun. Without adequate coverage for treatment, women in this program are left to find their own coverage or rely upon public hospitals or charity organizations. At Oregon Health Sciences University (OHSU), physicians are working overtime to treat patients and are facing limited budgets with which to provide services.

Mr. President, when a woman is diagnosed with cancer, there should be no question of whether she will be treated; rather, the answer should be ''Absolutely, as soon as possible,'' not ''How do you intend to pay for the treatment?''

The Breast and Cervical Cancer Treatment Act of 1999 seeks to expand upon the CDC screening program—with an emphasis on continuity of care—by giving states the option of providing Medicaid coverage for breast and cervical cancer treatment services to women who have been diagnosed through the CDC Breast and Cervical Cancer Screening program. With this legislation, a woman who is diagnosed through the CDC screening program would no longer have to worry about where to find treatment; the treatment

would be available to her upon diagnosis, by familiar physicians, in familiar surroundings.

Mr. President, this is not an issue of costs; it's an issue of compassion. It is an opportunity to say ''yes, we're here to help'' to the women in our lives who need our help the most. I believe that this bill creates a new beginning not only for families of the women who are and who will be fighting cancer in their lives, but for us as legislators as we face a new millennium. I urge my colleagues to say yes by joining me in this opportunity to set a new standard in the way we meet the health care needs of women in this country.

By Mr. SMITH of Oregon (for himself, Mr. THURMOND, Mr. LEAHY, and Mr. JEFFORDS):

S. 113. A bill to increase the criminal penalties for assaulting or threatening Federal judges, their family members, and other public servants, and for other purposes; to the Committee on the Judiciary.

THE FEDERAL JUDICIARY PROTECTION ACT OF 1999

Mr. SMITH of Oregon. Mr. President, I rise today with my colleagues, Senators THURMOND, LEAHY, and JEFFORDS, to introduce the Federal Judiciary Protection Act of 1999, a bill to provide greater protection to Federal law enforcement officials and their families. Last year, this legislation received strong bipartisan support and passed the Senate by Unanimous Consent on November 9, 1997. I intend to work with my colleagues and the members of the Judiciary Committee to ensure that this bill becomes public law this year.

Former Secretary of State, John Foster Dulles once stated that ''Of all the tasks of government, the most basic is to protect its citizens against violence.'' I believe that the Federal Judiciary Protection Act of 1999 gives us that very opportunity to strengthen those laws that deter violence and provide protection to those whose careers are dedicated to protecting our communities and our families.

Under current law, a person who assaults, attempts to assault, or who threatens to kidnap or murder a member of the immediate family of a United States official, a United States judge or a Federal law enforcement official, is subject to a punishment of a fine or imprisonment of up to five years, or both. This legislation seeks to expand these penalties in instances of assault with a weapon and a prior criminal history. In such cases, an individual could face up to 20 years in prison.

Importantly, this legislation would also strengthen the penalties for individuals who communicate threats through the mail. Currently, individuals who knowingly use the United States Postal Service to deliver any communication containing any threat are subject to a fine of up to $1,000 or imprisonment of up to five years. Under this legislation, anyone who communicates a threat could face imprisonment of up to ten years.

Emphasizing the need for this legislation, are the experiences of Oregon's own Chief Judge Michael Hogan and his family. They were subjected to frightening, threatening phone calls, letters and messages from an individual who had been convicted of previous crimes in Judge Hogan's courtroom. For months, he and his family lived with the fear that these threats to the lives of his wife and children could become reality, and, equally disturbing, that the individual could be back out on the street again in a matter of a few months, or a few years.

Judge Hogan and his family are not alone. In April, 1997, the wife of a Circuit Court judge in Florida was stalked by an individual who had been convicted of similar offense in 1994 and 1995. In this instance, the judge's wife was leaving a shopping mall one afternoon, and as she left the parking lot, realized that she was being followed. In an attempt to lose her pursuer, she took alternative routes, speeding through residential streets. In a desperate attempt, she cut in front of a semitrailer truck, risking a serious accident and possible loss of life, to escape. Even after his third offense, stalking the wife of a Circuit Court judge, her pursuer has been sentence to only six months of probation and $150 in fines and the court costs.

Mr. President, these are two examples of vicious acts focused at our Federal law enforcement officials and their families. As a member of the legislative branch, I believe that it is our responsibility to provide adequate protection to all Americans who serve to protect the life and liberty of every citizen in this nation. I encourage my colleagues to join us in sponsoring this important legislation.

Mr. LEAHY. Mr. President, I am proud to join Senator GORDON SMITH in introducing the Federal Judiciary Protection Act of 1999. In the last Congress, I was pleased to cosponsor nearly identical legislation introduced by Senator SMITH, which unanimously passed the Senate Judiciary Committee and the Senate but was not acted upon by the House of Representatives. I commend the Senator from Oregon for his continued leadership in protecting our Federal judiciary.

Our bipartisan legislation would provide greater protection to Federal judges, law enforcement officers and their families. Specifically, our legislation would: increase the maximum prison term for forcible assaults, resistance, opposition, intimidation or interference with a Federal judge or law enforcement officer from 3 years imprisonment to 8 years; increase the maximum prison term for use of a deadly weapon or infliction of bodily injury against a Federal judge or law enforcement officer from 10 years imprisonment to 20 years; and increase the maximum prison term for threatening murder or kidnaping of a member of the immediate family of a Federal judge or law enforcement officer from 5 years imprisonment to 10 years. It has the support of the Department of Justice, the United States Judicial Conference, the United States Sentencing Commission and the United States Marshal Service.

It is most troubling that the greatest democracy in the world needs this legislation to protect the hard working men and women who serve in our Federal judiciary and other law enforcement agencies. But, unfortunately, we are seeing more violence and threats of violence against officials of our Federal government.

Recently, for example, a courtroom in Urbana, Illinois was firebombed, apparently by a disgruntled litigant. This follows the horrible tragedy of the bombing of the federal office building in Oklahoma City in 1995. In my home state during the summer of 1997, a Vermont border patrol officer, John Pfeiffer, was seriously wounded by Carl Drega, during a shootout with Vermont and New Hampshire law enforcement officers in which Drega lost his life. Earlier that day; Drega shot and killed two state troopers and a local judge in New Hampshire. Apparently, Drega was bent on settling a grudge against the judge who had ruled against him in a land dispute.

I had a chance to visit John Pfeiffer in the hospital and met his wife and young daughter. Thankfully, Agent Pfeiffer has returned to work along the Vermont border. As a federal law enforcement officer, Agent Pfeiffer and his family will receive greater protection under our bill.

There is, of course, no excuse or justification for someone taking the law into their own hands and attacking or threatening a judge or law enforcement officer. Still, the U.S. Marshal Service is concerned with more and more threats of harm to our judges and law enforcement officers.

The extreme rhetoric that some have used in the past to attack the judiciary only feeds into this hysteria. For example, one of the Republican leaders in the House of Representatives has been quoted as saying: ''The judges need to be intimidated,'' and if they do not behave, ''we're going to go after them in a big way.'' I know that this official did not intend to encourage violence against any Federal official, but this extreme rhetoric only serves to degrade Federal judges in the eyes of the public.

Let none of us in the Congress contribute to the atmosphere of hate and violence. Let us treat the judicial branch and those who serve within it

with the respect that is essential to preserving its public standing.

We have the greatest judicial system in the world, the envy of people around the globe who are struggling for freedom. It is the independence of our third, co-equal branch of government that gives it the ability to act fairly and impartially. It is our judiciary that has for so long protected our fundamental rights and freedoms and served as a necessary check on overreaching by the other two branches, those more susceptible to the gusts of the political winds of the moment.

We are fortunate to have dedicated women and men throughout the Federal Judiciary and law enforcement in this country who do a tremendous job under difficult circumstances. They are examples of the hard-working public servants that make up the federal government, who are too often maligned and unfairly disparaged. It is unfortunate that it takes acts or threats of violence to put a human face on the Federal Judiciary and other law enforcement officials, to remind everyone that these are people with children and parents and cousins and friends. They deserve our respect and our protection.

I urge my colleagues to support the Federal Judiciary Protection Act of 1999 and look forward to its swift enactment into law.

By Mr. INOUYE:

S. 114. A bill to amend title VII of the Public Health Service Act to revise and extend certain programs relating to the education of individuals as health professionals, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

PHYSICAL THERAPY AND OCCUPATIONAL THERAPY EDUCATION ACT OF 1999

Mr. INOUYE. Mr. President, today I rise to introduce the Physical and Occupational Therapy Education Act of 1999. This legislation will increase educational opportunities for physical therapy and occupational therapy practitioners in order to meet the growing demand for the valuable services they provide in our communities.

In its most recent report, the Department of Labor's Bureau of Labor Statistics (BLS) projected that the demand for services provided by physical therapists will increase dramatically over the next decade. According to the BLS statistics, the increase in demand for these services will create a need for 81,000 additional therapists, an 80% increase over 1994 figures.

The BLS also predicts an increased demand for occupational therapists. According to the BLS, by the year 2005, the increase in demand will create a need for 39,000 additional occupational therapists, a 72% increase over 1994 figures.

Several factors contribute to the present need for federal support in this area. The rapid aging of our nations' population, the demands of the AIDs crisis, increasing emphasis on health promotion and disease prevention, and the growth of home health care have exceeded our ability to educate an adequate number of physical therapy and occupational therapy practitioners. In addition, technological advances are allowing injured and disabled individuals to survive conditions that, in past years, would have proven fatal.

America's inability to educate an adequate number of physical therapists has led to an increased reliance on foreign-educated, non-immigrant temporary workers (H–1B visa holders). The U.S. Commission on Immigration Reform has identified physical therapy and occupational therapy as having the highest number of H–1B visa holders in the U.S., second only to computer specialists. While the INS does not categorize occupational therapy as a separate profession when tracking H–1B visa entrants, the National Board of Certification in Occupational Therapy documents that the percentage of newly certified occupational therapists who are foreign graduates has risen from 3% in 1985 to more than 20% in 1995.

The legislation I introduce today would provide necessary assistance to physical and occupational therapy programs throughout the country. In awarding grants, preference would be given to applicants seeking to educate and train practitioners at clinical sites in medically underserved communities.

In addition to the shortage of practitioners, the current shortage of physical therapy and occupational therapy faculty impedes the expansion of established programs. The critical shortage of doctoral-prepared occupational therapists and physical therapists has resulted in an almost nonexistent pool of potential faculty. Presently, there are 117 faculty vacancies among 131 accredited physical therapy programs in the U.S. Similiarily, during the 1995–1996 academic year there were 51 faculty vacancies among 85 accredited professional level occupational therapy programs. The legislation I introduce today would assist in the development of a pool of qualified faculty by giving preference to applicants seeking to develop and expand post professional programs for the advanced training of physical and occupational therapists.

The investment we make through passage of the Physical Therapy and Occupational Therapy Education Act of 1999 will help reduce America's dependence on foreign labor and create highly-skilled, high-wage employment opportunities for American citizens. I look forward to working with my colleagues in Congress to enact this important legislation.

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

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

S. 114

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 ''Physical Therapy and Occupational Therapy Education Act of 1999''.

SEC. 2. PHYSICAL THERAPY AND OCCUPATIONAL THERAPY.

Subpart 2 of part E of title VII of the Public Health Service Act, as amended by the Health Professions Education Partnerships Act of 1998, is amended by inserting after section 769, the following:

''SEC. 769A. PHYSICAL THERAPY AND OCCUPATIONAL THERAPY.

''(a) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, programs of physical therapy and occupational therapy for the purpose of planning and implementing projects to recruit and retain faculty and students, develop curriculum, support the distribution of physical therapy and occupational therapy practitioners in underserved areas, or support the continuing development of these professions.

''(b) PREFERENCE IN MAKING GRANTS.—In making grants under subsection (a), the Secretary shall give preference to qualified applicants that seek to educate physical therapists or occupational therapists in rural or urban medically underserved communities, or to expand post-professional programs for the advanced education of physical therapy or occupational therapy practitioners.

''(c) PEER REVIEW.—Each peer review group under section 798(a) that is reviewing proposals for grants or contracts under subsection (a) shall include not fewer than 2 physical therapists or occupational therapists.

''(d) REPORT TO CONGRESS.—

''(1) IN GENERAL.—The Secretary shall prepare a report that—

''(A) summarizes the applications submitted to the Secretary for grants or contracts under subsection (a);

''(B) specifies the identity of entities receiving the grants or contracts; and

''(C) evaluates the effectiveness of the program based upon the objectives established by the entities receiving the grants or contracts.

''(2) DATE CERTAIN FOR SUBMISSION.—Not later than February 1, 2001, the Secretary shall submit the report prepared under paragraph (1) to the Committee on Commerce and the Committee on Appropriations of the House of Representatives, the Committee on Labor and Human Resources and the Committee on Appropriations of the Senate.

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $3,000,000 for each of the fiscal years 2000 through 2003.''.

By Ms. SNOWE (for herself and Mrs. FEINSTEIN):

S. 115. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations; to the Committee on Health, Education, Labor, and Pensions.

WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1999

Ms. SNOWE. Mr. President, on behalf of myself and the Senator from California, Mrs. FEINSTEIN, I rise today to introduce the Women's Health and Cancer Rights Act of 1999. We supported this bill in the 105th Congress when it was championed by my friend, the Senator from New York, Mr. D'AMATO, and we are reaffirming our support for this important issue by reintroducing this bill today. Last year we did make some progress on this bill as one piece—requiring insurance companies to cover reconstructive surgery was included in the final Omnibus spending bill enacted into law last October.

This bill is about doing what's best for women facing the crisis of a cancer diagnosis and a potential mastectomy. Because right now some women are being denied the best health care available. That is simply not acceptable in a country of such vast medical resources.

This year, millions of Americans will face the possibility of a cancer diagnosis, and 180,000 women will be diagnosed with breast cancer. Our bill provides women with breast cancer and all Americans facing a cancer diagnosis with some basic protections.

First, it ensures that doctors are not pressured by health plans to release mastectomy patients before it is medically appropriate. Currently, some insurers have guidelines recommending that mastectomies be performed on an outpatient basis. A mastectomy is a very complicated surgical procedure and complications can arise as a result. Sending a woman home immediately after the surgery is not always the right thing to do. They may not have the information they need nor, more importantly, the care. We want to make sure—and this bill will—that the decisions are made in the context of the medical well being of the patient as opposed to being made by an insurance company bureaucrat.

This decision must be returned to physicians and their patients. The physical scars left by a mastectomy can be complicated and difficult to care for, and often require supervision. Women prematurely released may not have the information they need, and some dangerous complications can arise hours after the operation. And all of this is happening in context of the intense emotional trauma that comes with losing part or all of a breast.

Finally, all Americans who face the possibility of a cancer diagnosis must be able to make informed decisions about appropriate medical care. To do that, they need access to all the information available. Our bill requires insurance companies to pay full coverage for secondary consultations with a specialist whenever any cancer has been diagnosed or a treatment recommended. This will reduce senseless deaths resulting from false diagnoses and empower individuals to seek the most appropriate available treatment.

Women with breast cancer and all Americans facing a cancer diagnosis cannot wait any longer. I would urge my colleagues to join me in supporting this bill in order to provide the protections granted under this bill now.

By Ms. SNOWE:

S. 116. A bill to establish a training voucher system, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

WORKING AMERICAN TRAINING VOUCHER ACT

Ms. SNOWE. Mr. President, I rise today to introduce legislation that will address a serious need of America's workers: the need to receive training that will prepare individuals for the workplace of the 21st Century. My legislation, entitled the ''Working American Training Voucher Act,'' would provide $1,000 training vouchers to 1 million working men and women who typically have little or no access to employer-provided training.

Mr. President, many Federal programs focus on the needs of those whose challenges and difficulties are most easily recognized and tangible. When we see a hungry child, an unemployed adult, or an impoverished senior citizen, we justifiably want to reach out and do what we can to help. Indeed, I am proud to be an active voice for those whose challenges and pains we can sometimes only imagine. However, it is oftentimes difficult to recognize the needs of those whose challenges are less tangible, whose concerns are less evident, or whose sense of insecurity about the future is known only by the individual and their family.

It is this difficulty that confronts many American workers today. In the face of increasing global competition, many workers wonder if the job they have today will be there for them tomorrow. They are concerned that the advent of new technologies is making their skills and talents less useful for their current employers which, in turn, makes them feel more vulnerable and expendable. And they wonder if the skills they possess today are even marketable if they are ''down-sized'' or otherwise put out of work.

Unfortunately, these types of concerns and anxieties oftentimes do not show on the surface, so it can be difficult for others to recognize or address them. It is too easy for many to assume that because a man or woman is already holding down a job, all is well and his or her future is secure. After all, how bad can it be if you're punching a time clock and getting a paycheck? Unfortunately, such a view is not only shortsighted, it is also misguided and could prove disastrous.

We should not wait until a worker has been laid-off from their job, or a company shuts its doors and shutters its windows, to take steps to help the American worker. Rather, we should take steps to ensure that our nation's workforce is confident of their future and feels prepared to address the changes that tomorrow will bring. Not only does this help the individual, but I think we would all agree that the best way to reduce the impact and cost of unemployment is to take steps to keep those who are already employed on-the-job!

Admittedly, many policies and decisions play an integral role in creating a vibrant job market. The tax burden we place on businesses, the trade agreements we sign with foreign governments, and the regulatory load we place on employers all have a significant impact on our economy's ability to produce and sustain good jobs. However, for the individual, many of these policies seem too ''macro'' to have an impact on their own employment prospects. In fact, an individual may not even recognize the direct impact these broader policies have on their job from day to day.

There is, however, one issue that truly strikes at the heart of how an individual feels about the future: the degree to which he or she knows that their skills match the needs of their current employer or other prospective employers in the marketplace. Without this knowledge, it does not matter to an individual if the unemployment rate is as low as economists consider the ''natural rate of unemployment'' or if the newspapers tell him or her that the economy couldn't be better. The simple fact is that unless an individual personally feels that their skills are up-to-date and marketable, there will never be a complete sense of security on the job from one day to the next.

And that's what the legislation I am introducing today is all about. The ''Working American Training Voucher Act'' addresses the needs of the average American worker—the individual who has a job today, but doesn't know if he or she has the skills needed for the jobs of tomorrow. The person who's collecting a paycheck now, but is concerned that the rapidly changing work environment may put an end to that soon.

Mr. President, we all know new technologies and new products are entering the workplace at an unprecedented rate and the changes these technologies bring are substantial. Few professions and few jobs have gone untouched by these changes—and even fewer will be immune from change in the future. Indeed, just as computers have changed the face of manufacturing, they have also changed the world of art and design. Even labor intensive tasks at assembly shops have taken on a high-tech flair thanks to new technologies.

For an individual who understands these technologies or receives training

in their use, these changes present exciting new opportunities that improve performance and ultimately give one a sense of assurance that their skills are in demand. But for those who do not understand these technologies or do not receive training in their use, these technologies are nothing more than a threat and a cause for anxiety.

Regrettably, even as the demand for training at all levels in the workplace continues to grow because of these changing technologies, the United States has historically lagged far behind our global competitors in training workers. In fact, a study by the Congressional Office of Technology Assessment concluded: ''When measured by international standards, most American workers are not well trained.''

While some U.S. companies devote a substantial amount of money to training, many of our global competitors spend considerably more. A study by the American Society for Training and Development highlighted this point when it found that U.S. companies spend—in the aggregate—approximately 1.4 percent of their payroll on training, while a number of our competitor nations actually require companies to spend 2 to 4 percent! While I would not espouse a mandatory training budget for any business, I believe we can and should seek to improve the availability of training for our nation's workers—and especially for those who need it most but are least likely to receive it. And that's precisely who the ''Working American Training Voucher'' is designed to reach.

Mr. President, the ''Working American Training Voucher'' would provide access to critically needed training for workers at businesses with 200 or fewer employees. Why is it targeted to workers in small businesses? Quite simply, because these are the individuals who are the least likely to receive—or be offered—employer-provided training. The same report by the Congressional Office of Technology Assessment summarized the plight of employees at small businesses quite succinctly: ''Many (employees) in smaller firms receive no formal training.''

A 1997 report—completed by Professor Craig Olson at the University of Wisconsin-Madison and presented to the Senate Manufacturing Task Force during the 105th Congress—looked at the difference between the likelihood an individual would receive training and the level of educational achievement he or she attained, or the field he or she chose to enter. Dr. Olson's study found that individuals with a bachelor's or master's degree had a 50 percent chance of receiving training in the past year, while individuals with a high school diploma had only a 17 percent chance. Those who dropped out of high school fared even worse: their odds of receiving training were only 5 percent.

When viewed by occupation, individuals who worked in production- or service-related jobs had only a 16 percent and 18 percent chance of receiving training respectively, while those in management had a 50 percent chance. When considering that only one in four American workers received training in the past 12 months, these odds don't bode well for many employees at small businesses whose educational attainment and occupations fall in the categories that are the least likely to receive training.

One might understandably ask: Why is it that small businesses often provide so little training? The answer: cost. Small businesses are quite often unable to afford the cost of sending an employee to a training program. When your business is just trying to make ends meet, it's impossible to send an employee to a training class that costs the business both money and time away from work.

Mr. President, the ''Working American Training Voucher'' is designed to address this problem in a straightforward and efficient way. These vouchers—valued at up to $1,000 each—would be made available to employees at small businesses through the existing job training system that is already in place as a result of the Job Training Partnership Act (JTPA). As my colleagues in the Senate know, state and local governments—joined by the private sector—have primary responsibility for the development, management, and administration of job training programs in the JTPA, so no new distribution network would be necessary to conduct this voucher program.

The only major requirement for receiving a voucher would be that the employee and employer must agree on the specific training that will be purchased with the voucher. This will ensure that the training will be targeted specifically to the needs of the individual and the business—money would not be spent on generic training programs that teach skills that are of little, if any, use in a particular field or job. Furthermore, such an agreement will ensure that workers are actively engaged in pursuing training that will help their careers, even as employers will be urging employees to undertake training that will help the business.

Last year, JTPA programs were recrafted and consolidated as part of the Workforce Investment Act (WIA) of 1998—a law that greatly improved the delivery of federal job training monies. Specifically, up until the passage of the WIA, there was virtually no federal money for workers that are already employed. But with WIA's enactment, we are beginning to place some much needed attention on the needs of incumbent workers, and the ''Working American Training Voucher Act'' will vastly expand access to training for those who need it most.

Mr. President, I believe that as we prepare our workforce for the next century, we should be encouraging workers to develop new skills that will improve their longevity in their current jobs even as they gain confidence that their skills will be needed in the future. Not only will these new skills increase the confidence and performance of the individual worker, but they will also improve the productivity of the business who employs them. And we all know that if we improve a business' productivity and output, that business is more likely to survive and thrive—which means that this voucher may ultimately assist in preserving businesses and jobs in the long run.

Furthermore, better skills and training will ensure that individuals are able to rapidly transition to new jobs in the unfortunate event their current job is lost for reasons beyond their control. Regardless of how favorable the tax code is made or how many burdensome regulations we remove, we will never be able to guarantee an individual that his or her job will be around forever. But we can provide a worker with access to training that will keep his or her skills up-to-date and marketable no matter what the future holds.

Mr. President, the ''Working American Training Voucher'' would be a tangible, concrete, and definable program that would address a core issue facing American workers. It will ensure that those who typically have the least access to training will be able to acquire the skills needed for their current jobs, while improving their jobs in the future. It is targeted to those who are most in need of assistance, and will ensure that we no longer wait until an individual is out of work to provide help.

The Federal government often promises the American people many things, but we can never offer peace of mind to a worker who doesn't know if his or her skills are adequate to keep them employed. Let's take a step in the right direction and at least ensure that those who have a job will not lose it due to a lack of access to training and new skills. Let's pass the ''Working American Training Voucher Act.''

Mrs. FEINSTEIN. Mr. President, today, I am introducing the Women's Health and Cancer Rights Act of 1999 with Senator OLYMPIA SNOWE.

This bill has four provisions:

For breast cancer—

1. It requires insurance plans to cover hospital stays as determined by the attending physician, in consultation with the patient, to be medically appropriate. Our bill does not prescribe a fixed number of days or set a minimum. It leaves the length of hospital stay up to the treating physician.

2. It requires insurance plans to provide notice to plan subscribers of these requirements.

For all cancers—

3. It prohibits insurance plans from linking financial or other incentives to a physician's provisions of care.

4. It requires plans to cover second opinions by specialists to confirm or refute a diagnosis. If the attending physician certifies that there is no appropriate specialist practicing under the insurance plan, the plan must ensure that coverage is provided outside the plan for a second opinion by a qualified specialist selected by the attending physician at no additional cost to the patient beyond that which the patient would have paid if the specialist were participating in the plan.

NEED FOR LEGISLATION

The movement from inpatient to outpatient mastectomies and reduced hospital stays for mastectomies in recent years has been documented. A June 3, 1998 study in the Journal of the National Cancer Institute found that from 1986 to 1995 ''the proportion of mastectomies performed on an outpatient basis increased from virtually 0% to 10.8%,'' said these researchers. This report also says that the data ''clearly suggested a shorter average length of stay and a higher likelihood of a short stay for women covered by HMOs'' and that ''while short stays appear to be more prevalent among HMO enrollees, they are not limited exclusively to women with HMO coverage.''

Another study, by the medical research firm HCIA of Baltimore, Maryland, found that in 1995, 7.6 percent of the 110,000 breast removals in the country were done on an outpatient basis, up from 1.6 percent in 1991.

Another study found that the average length of stay for women who have had a mastectomy is 4.34 days nationally, but in California, it is 2.98 days, the shortest in the country. (New York has the longest mastectomy length of stay at 5.78 days.) This study, published in the winter 1997–1998 issue of Inquiry, says:

> California had the highest proportion of mastectomy patients discharged after only one day or within two days . . . Nearly 12% of mastectomy patients in California were discharged with a length of stay equal to one day; the next highest proportion was 4.8% in Massachusetts; the percentages in the other three states ranged from 1.1% to 2.2%.

A July 7, 1997 study by the Connecticut Office of Health Care Access found the average hospital length of stay for breast cancer patients undergoing mastectomies decreased from three days in 1991 and 1993 to two days in 1994 and 1995. This study said, ''The percentage of mastectomy patients discharged after one-day stays grew about 700 percent from 1991 to 1996.''

The Wall Street Journal on November 6, 1996, reported that ''some health maintenance organizations are creating an uproar by ordering that mastectomies be performed on an outpatient basis. At a growing number of HMOs, surgeons must document 'medical necessity' to justify even a one-night hospital admission.''

And so the studies confirm that (1) hospital lengths of stay for mastectomies are decreasing and (2) more mastectomies are being done on an outpatient basis.

INCIDENCE OF BREAST CANCER

In 1998, over 180,000 people (one in every 8 American women) were diagnosed with invasive breast cancer and 44,000 women died from breast cancer. Only lung cancer causes more cancer deaths in American women. There are 2.6 million American women living with breast cancer today.

In my state, in 1998, approximately 17,600 women were diagnosed with breast cancer and 4,300 died, according to the American Cancer Society. Officials at the Northern California Cancer Center say that breast cancer incidence rates in Los Angeles and San Francisco are significantly higher than national rates.

THE STRESS OF MASTECTOMY; THE NEED FOR CARE

After a mastectomy, patients must cope with pain from the surgery, with drainage tubes and with psychological loss—the trauma of an amputation. These patients need medical care from trained professionals, medical care that they cannot provide themselves at home. A woman fighting for her life and her dignity should not also be saddled with a battle with her health insurance plan.

Dr. Christine Miaskowski at the University of California, San Francisco, estimates that about 20 percent of women who have breast cancer surgery have chronic pain of long duration. A University of California, San Diego, study suggests that the rate may be double that, reports the May 20, 1998 Journal of the National Cancer Institute.

Patients who have mastectomies in outpatient settings have higher rates of rehospitalization than women with a one-day hospital stay, according to the study reported in the Journal of the National Cancer Institute.

As the National Breast Cancer Coalition wrote me on March 12, 1998: ''The NBCC applauds this effort and believes this compromise will put an end to the dangerous health insurance practices that allow cost and not medical evidence to determine when a woman leaves a hospital after cancer surgery.''

SOME ACCOMPLISHMENTS LAST YEAR

In the last Congress, Senators D'Amato, SNOWE and I introduced a similar bill, S. 249, which also included a requirement that plans cover breast reconstruction following a mastectomy. Fortunately, Congress passed and the President signed that part of our bill, into law, the omnibus appropriations bill for FY 1999, now P.L. 105–277.

The mastectomy hospital length-of-stay and the other provisions did not become law, despite many efforts:

At our request, the Senate Finance Committee held a hearing on S. 249 on November 5, 1997.

We attempted to get this considered by the Senate, three times in 1998:

On March 16, we filed it as an amendment to H.R. 2646, the Parent and Student Savings Account PLUS Act.

On May 6, we filed it as an amendment to H.R. 2676, the IRS restructuring bill.

On May 12, we tried to bring the bill to a vote in the Senate, but were blocked.

In addition, Senator D'Amato offered it as an amendment in the Finance Committee twice.

TWO CALIFORNIA CASES

Two California women have shared their real-life experiences with me:

Nancy Couchot, age 60, of Newark, California, wrote me that she had a modified radical mastectomy on November 4, 1996, at 11:30 a.m. and was released by 4:30 p.m. She could not walk and the hospital staff did not help her ''even walk to the bathroom.'' She says, ''Any woman, under these circumstances, should be able to opt for an overnight stay to receive professional help and strong pain relief.''

Victoria Berck, of Los Angeles, wrote that she had a mastectomy and lymph node removal at 7:30 a.m. on November 13, 1996, and was released from the hospital 7 hours later, at 2:30 p.m. Ms. Berck was given instructions on how to empty two drains attached to her body and sent home. She concludes, ''No civilized country in the world has mastectomy as an outpatient procedure.''

These are but two examples of what I believe is happening around the county—insurance plans interfering with professional medical judgment and arbitrarily reducing care without a medical basis.

Premature discharges for mastectomy, with insurance plans strong-arming physicians to send women home, are one glaring example of the rising tide of abuses faced by patients and physicians who have to ''battle'' with their HMOs to get coverage of the care that physicians believe is medically necessary.

NO FINANCIAL INCENTIVES

For all cancers, our bill also prohibits insurance plans from including financial or other incentives to influence the care a doctor provides, similar to a law passed by the California legislature last year. Many physicians have complained that insurance plans include financial bonuses or other incentives for cutting patient visits or for not referring patients to specialists. Our bill bans financial incentives linked to how a doctor provides care. Our intent is to restore medical decision-making to health care.

For example, a California physician wrote me, ''Financial incentives under managed care plans often remove access to pediatric specialty care.'' A June 1995 report in the Journal of the National Cancer Institute cited the suit filed by the husband of a 34-year-

old California woman who died from colon cancer, claiming that HMO incentives encouraged her physicians not to order additional tests that could have saved her life.

SECOND OPINIONS

Finally, our bill requires plans to cover second opinions by specialists for all cancers when a patient requests them. And if the attending physician certifies that there is no appropriate specialist practicing under the plan, the plan must cover a second opinion outside the plan by a qualified specialist selected by the attending physician, at no additional cost to the patient beyond that which the patient would have paid if the specialists were participating in the plan.

The alarm of learning one has cancer is profound. It affects the individual and the whole family deeply. People need the best medical judgment they can get, to make some of the most important decisions of their lives. I believe plans should cover a second opinion, so that patients can get the best care possible and can try to find some peace of mind that they are getting competent, complete medical advice.

CONCLUSION

This bill would restore professional medical decision making to medical doctors, those whom we trust to take care of us. It should not take an act of Congress to guarantee good health care, but unfortunately that is where we are today. As the National Breast Cancer Coalition wrote, ''. . . until guaranteed access to quality health care coverage and service is available for all women and their families, there are some very serious patient concerns that must be met. Without meaningful health care reform, market forces propel the changes in the health care system and women are at risk of being forced to pay the price by having inappropriate limits placed on their access to quality health care.''

This is an important protection for millions of Americans who face the fear, the reality and the costs of cancer every day. Seven states have a law allowing a physician to determine the length of stay following a mastectomy. Seven states have a required 48-hour minimum stay requirement.

It is long past time for this Congress to send a strong message to insurance companies. Medical decisions must be made by medical professionals, not anonymous insurance clerks.

By Ms. SNOWE:

S. 117. A bill to permit individuals to continue health plan coverage of services while participating in approved clinical studies; to the Committee on Health, Education, Labor, and Pensions.

By Ms. SNOWE:

S. 118. A bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decision making at the National Cancer Institute; to the Committee on Health, Education, Labor, and Pensions.

BREAST CANCER LEGISLATION

Ms. SNOWE. Mr. President, today I am introducing two bills which build on progress made in the 105th Congress in the difficult and challenging fight against breast cancer.

Our challenge was summed up by one breast cancer advocate when she stated, simply and eloquently, ''We must make our voices heard, because it is our lives.'' Indeed, breast cancer continues to claim the lives of our mothers, sisters, daughters, and wives. With about 1 in 8 women at risk for developing breast cancer, there is scarcely a family in America unaffected by the disease.

By the end of this year alone, over 178,000 women will have been diagnosed with breast cancer. Over 43,500 will have died. And with each life stolen, our nation is weakened immeasurably.

We took an important step forward in the last Congress to combat this deadly foe. In the Food and Drug Administration Reauthorization Act, Congress included language based on a bill I introduced with the Senator from California, Senator FEINSTEIN, to create a ''one-stop shopping information service'' for individuals with life-threatening diseases looking to obtain information about privately and publicly funded clinical trials. This service provides information describing the purpose of the trial, eligibility criteria and the location. It gives individuals, their families and physicians an 800 number to call to obtain the latest information about these trials—trials that could save a loved ones life and trials that could help put us a step closer to our ultimate goal—finding a cure.

Much remains to be done before we conquer breast cancer, so today I am reintroducing a bill, the Improved Patient Access to Clinical Studies Act of 1999, to prohibit insurance companies from denying coverage for services provided to individuals participating in clinical trials, if those services would otherwise be covered by the plan. This bill would also prevent health plans from discriminating against enrollees who choose to participate in clinical trials.

This bill has a two-fold purpose. First, it will ensure that many patients who could benefit from these potentially life-saving investigational treatments but currently do not have access to them because their insurance will not cover the associated costs. Second, without reimbursement for these services, our researchers' ability to conduct important research is impeded as it reduces the number of patients who seek to participate in clinical trials.

The second bill will give breast cancer advocates a voice in the National Institutes of Health's (NIH's) research decision-making. The Consumer Involvement in Breast Cancer Research Act urges NIH to follow the Department of Defense's lead and include lay breast cancer advocates in breast cancer research decision-making.

The involvement of these breast cancer advocates at DOD has helped foster new and innovative breast cancer research funding designs and research projects. While maintaining the highest level of quality assurance through peer review, breast cancer advocates have helped to ensure that all breast cancer research reflects the experiences and wisdom of the individuals who have lived with the disease, as well as the scientific community.

I hope that my colleagues will join me in supporting these two bills which will help those suffering from breast cancer and their families as well as our researchers who are seeking the cure for this devastating disease.

By Ms. SNOWE:

S. 119. A bill to establish a Northern Border States-Canada Trade Council, and for other purposes, to the Committee on Finance.

THE NORTHERN BORDER STATES COUNCIL ACT

Ms. SNOWE. Mr. President, today I am introducing legislation that would establish a Northern Border States Council on United States-Canada trade.

The purpose of this Council is to oversee cross-border trade with our Nation's largest trading partner—an action that I believe is long overdue. The Council will serve as an early warning system to alert State and Federal trade officials to problems in cross-border traffic and trade. The Council will enable the United States to more effectively administer trade policy with Canada by applying the wealth of insight, knowledge and expertise of people who reside not only in my State of Maine, but also in the other eleven northern border States as well, on this critical policy issue.

Within the U.S. Government we already have the Department of Commerce and a U.S. Trade Representative, both Federal entities, responsible for our larger, national U.S. trade interests. But the facts is that too often such entities fail to give full consideration to the interests of the 12 northern States that share a border with Canada, the longest demilitarized border between two nations anywhere in the world. The Northern Border States Council will provide State trade officials with a mechanism to share information about cross-border traffic and trade. The Council will then advise the Congress, the President, the U.S. Trade Representative, the Secretary of Commerce, and other Federal and State trade officials on United States-Canada trade policies, and problems.

Canada is our largest and most important trading partner. Canada is by far the top purchaser of U.S. export goods and services, as it is the largest source of U.S. imports. In 1997, for instance, Canada imported over $151.7 million worth of U.S. goods. With an economy one-tenth the size of our own, Canada's economic health depends on maintaining close trade ties with the United States. While Canada accounts for about one-fifth of U.S. exports and imports, the United States is the source of two-thirds of Canada's imports and provides the market with fully three-quarters of all of Canada's exports.

The United States and Canada have the largest bilateral trade relationship in the world, a relationship that is remarkable not only for its strength and general health, but also for the intensity of the trade and border problems that do frequently develop—as we have seen this past year with actual farmer border blockades in some border states because of the unfairness of agricultural trade policies. Over the last decade, Canada and the United States have signed two major trade agreements—the United States-Canada Free Trade Agreement in 1989, and the North American Free Trade Agreement, or NAFTA, in 1993. Notwithstanding these trade accords, numerous disagreements have caused trade negotiators to shuttle back and forth between Washington and Ottawa, most recently for solutions to problems for grain trade, wheat imports, animal trade, and joint cooperation on Biotechnology. I might add at recent negotiations, there was still no movement towards solutions for the potato industry, but I have been promised by the USDA that it is now the top priority for discussion.

Most of the more well-known trade disputes with Canada have involved agricultural commodities such as Durum wheat, peanut butter, dairy products, and poultry products, and these disputes, of course, have impacted more than just the 12 northern border States.

Each and every day, however, an enormous quantity of trade and traffic crosses the United States-Canada border. These are literally thousands of businesses, large and small, that rely on this cross-border traffic and trade for their livelihood.

My own State of Maine has had a long-running dispute with Canada over that nation's unfair policies in support of its potato industry, and I know that the upper mid-west and the western states have problems as well. Specifically, Canada protects its domestic potato growers from United States competition through a system of nontariff trade barriers, such as setting container size limitations and a prohibition on bulk shipments from the United States.

This bulk import prohibition effectively blocks United States potato imports into Canada and was one topic of discussion during an International Trade Commission investigations hearing on April 30, 1997, where I testified on behalf of the Maine potato growers. The ITC followed up with a report stating that Canadian regulations do restrict imports to bulk shipments of fresh potatoes for processing or repacking, and that the U.S. maintains no such restrictions. These bulk shipment restrictions continue, and, at the same time, Canada also artificially enhances the competitiveness of its product through domestic subsidies for its potato growers.

Another trade dispute with Canada, specifically with the province of New Brunswick, originally served as the inspiration for this legislation. In July 1993, Canadian federal customs officials began stopping Canadians returning from Maine and collecting from them the 11-percent New Brunswick Provincial Sales Tax [PST] on goods purchased in Maine. Canadian Customs Officers had already been collecting the Canadian federal sales tax all across the United States-Canada border. The collection of the New Brunswick PST was specifically targeted against goods purchased in Maine—not on goods purchased in any of the other provinces bordering New Brunswick.

After months of imploring the U.S. Trade Representative to do something about the imposition of the unfairly administered tax, then Ambassador Kantor agreed that the New Brunswick PST was a violation of NAFTA, and that the United States would include the PST issue in the NAFTA dispute settlement process. But despite this explicit assurance, the issue was not, in fact, brought before NAFTA's dispute settlement process, prompting Congress in 1996, to include an amendment I offered to immigration reform legislation calling for the U.S. Trade Representative to take this action without further delay. But, it took three years for a resolution, and even then, the resolution was not crafted by the USTR.

Throughout the early months of the PST dispute, we in the state of Maine had enormous difficulty convincing our Federal trade officials that the PST was in fact an international trade dispute that warranted their attention and action. We had no way of knowing, whether problems similar to the PST dispute existed elsewhere along the United States-Canada border, or whether it was a more localized problem. If a body like the Northern Border States Council had existed when the collection of the PST began, it could have immediately started investigating the issue to determine its impact and would have made recommendations as to how to deal with it.

The long-standing pattern of unsuccessful negotiations is alarming, with no solution on the horizon from the federal entities in charge, as the industry in Maine and other states in the U.S. continues to strive to stay competitive despite the trade barriers thrown up against their potatoes.

In short, the Northern Border States Council will serve as the eyes and ears of our States that share a border with Canada, and who are most vulnerable to fluctuations in cross-border trade and traffic. The Council will be a tool for Federal and State trade officials to use in monitoring their cross-border trade. It will help insure that national trade policy regarding America's largest trading partner will be developed and implemented with an eye towards the unique opportunities and burdens present to the northern border states.

The Northern Border States Council will be an advisory body, not a regulatory one. Its fundamental purpose will be to determine the nature and cause of cross-border trade issues or disputes, and to recommend how to resolve them.

The duties and responsibilities of the Council will include, but not be limited to, providing advice and policy recommendations on such matters as taxation and the regulation of cross-border wholesale and retail trade in goods and services; taxation, regulation and subsidization of food, agricultural, energy, and forest-products commodities; and the potential for Federal and State/provincial laws and regulations, including customs and immigration regulations, to act as nontariff barriers to trade.

As an advisory body, the Council will review and comment on all Federal and/or State reports, studies, and practices concerning United States-Canada trade, with particular emphasis on all reports from the dispute settlement panels established under NAFTA. These Council reviews will be conducted upon the request of the United States Trade Representative, the Secretary of Commerce, a Member of Congress from any Council State, or the Governor of a Council State.

If the Council determines that the origin of a cross-border trade dispute resides with Canada, the Council would determine, to the best of its ability, if the source of the dispute in the Canadian Federal Government or a Canadian Provencal government.

The goal of this legislation is not to create another Federal trade bureaucracy. The Council will be made up of individuals nominated by the Governors and approved by the Secretary of Commerce. Each northern border State will have two members on the Council. The Council members will be unpaid, and serve as 2-year term.

The Northern Border States Council on United States-Canada Trade will not solve all of our trade problems with Canada. But it will ensure that the voices and views of our northern border States are heard in Washington by our

Federal trade officials. For too long their voices have been ignored, and the northern border States have had to suffer severe economic consequences at various times because of it. This legislation will bring our States into their rightful position as full partners for issues that affect cross-border trade and traffic with our country's largest trading partner. I urge my colleagues to join me in supporting this important legislation.

By Ms. SNOWE:

S. 120. A bill to amend title II of the Trade Act of 1974 to clarify the definition of domestic industry and to include certain agricultural products for purposes of providing relief from injury caused by import competition, and for other purposes; to the Committee on Finance.

THE AGRICULTURAL TRADE REFORM ACT OF 1999

Ms. SNOWE. Mr. President, I am introducing legislation today to give agricultural producers, including potato producers, some important and badly needed new tools for combating injurious increases in imports from foreign countries.

The Trade Act of 1974 contains provisions that permit U.S. industries to seek relief from serious injury caused by increased quantities of imports. In practice, however, it has been very difficult for many U.S. industries to actually secure action under the Act to remedy this kind of injury.

The ineffectiveness of the Act results from some of the specific language in the statute. Specifically, the law requires the International Trade Commission, when evaluating a petition for relief from injury, to consider whether the injury affects the entire U.S. industry, or a segment of an industry located in a ''major geographic area'' of the U.S. whose production constitutes a ''substantial portion'' of the total domestic injury. This language has been interpreted by the ITC to mean that all or nearly all of the U.S. industry must be seriously injured by the imports before it can qualify for any relief.

Thus, if an important segment of an industry is being severely injured by imports that compete directly with that segment, the businesses who comprise this portion of the industry do not have much recourse—even though the industry segment in question may employ thousands of Americans and generate billions of dollars annually for the U.S. economy. In other words, our current trade laws leave large segments of an industry that serve particular regions and markets, or have other distinguishing features, practically helpless in the face of sharp and damaging import surges.

In addition, even if large industry subdivisions could qualify for assistance, the time frames under the Trade Act for expedited, or provisional, relief for agricultural products are too long to respond in time to prevent or adequately remedy injury caused by increasing imports. At a minimum, three months must elapse before any relief can be provided, irrespective of the damage that American businesses may suffer during that time. And three months is an absolute minimum. In reality, it could take substantially longer to provide expedited relief.

Mr. President, when it comes to agricultural products, the problems in U.S. trade law that I have described remain acute. Due to their perishable nature, many agricultural products cannot be inventoried until imports subside or the ITC grants relief—if the industry is so fortunate—many months or even years later. And most agricultural producers, who are heavily dependent on credit each year to produce and sell a crop, cannot wait that long. They need assistance in the short-term, while the injury is occurring, if they are going to survive an import surge.

Also, because crops are grown during particular seasons and serve specific markets related to production in those growing seasons, the agricultural industry is more prone to segmentation. Finally, many of the agricultural industry entities that would have to file a petition for relief under the Trade Act are really grower groups that do not necessarily have the financial wherewithal to spend millions of dollars researching, filing, and pursuing a petition before the ITC.

The bill that I have introduced today is designed to empower America's agricultural producers to seek and obtain effective remedies for damaging import surges. It will make the Trade Act more user friendly for American businesses. Unlike the current law, which sets criteria for ITC consideration that are impossible to meet and that do not reflect the realities of today's industry, my bill establishes more useful criteria. It permits the ITC to consider the impacts of import surges on an important segment of an agricultural industry when determining whether a domestic industry has been injured by imports. This segment is defined as a portion of the domestic industry located in a specific geographic area whose collective production constitutes a significant portion of the entire domestic industry. The ITC would also be required to consider whether this segment primarily serves the domestic market in the specific geographic area, and whether substantial imports are entering the area.

Rather than rely solely on an industry petition to initiate an ITC review of whether provisional, or expedited, relief deserves to be granted, my bill would permit the United States Trade Representative or the Congress, via a resolution, to request such review.

Because the time frames in the present law for considering and providing provisional relief are so long that the damage from imports can already be done well before a decision by the ITC is ever issued, this bill would shorten the time frame for provisional relief determinations by the ITC by allowing the commission to waive, in certain circumstances, the act's requirement that imports be monitored by the USTR for at least 90 days.

And, finally, the bill expands the list of agricultural products eligible for provisional relief to include any potato product, including processed potato products. Under current law, only perishable agricultural products and citrus products are eligible to apply for expedited relief determinations. But this narrow eligibility list unreasonably excludes important U.S. agribusinesses, such as our frozen french fry producers, from the expedited remedies available in the Trade Act.

For too long, American agriculture has been trying to combat sophisticated foreign competition with the equivalent of sticks and stones. My bill strengthens the position of American agricultural producers in the competitive arena, and will help provide effective remedies for agricultural producers, and provide effective deterrents to the depredations of their competitors from other countries. I hope other senators with a interest in fair play for our domestic agricultural producers will join me I cosponsoring this important legislation.

By Mr. FEINGOLD:

S. 121. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, age, or disability, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

CIVIL RIGHTS PROCEDURES PROTECTION ACT

Mr. FEINGOLD. Mr. President, I rise today to introduce the Civil Rights Procedures Protection Act of 1999. The 106th Congress will mark the fourth successive Congress in which I have introduced this legislation. Very simply Mr. President, this legislation addresses the rapidly growing and very troubling practice of employers conditioning employment or professional advancement upon their employees' willingness to submit claims of discrimination or harassment to arbitration, rather than pursuing them in the courts. In other words, employees raising claims of harassment or discrimination by their employers must submit the adjudication of those claims to arbitration, denying themselves any other remedies may exist under the laws of this Nation.

The right to seek redress in a court of law—the right to a jury trial—is one of the most basic rights accorded to employees in this nation. In the Civil Rights Act of 1991, Congress expressly

created this right to a jury trial for employees when it voted overwhelmingly to amend Title VII of the Civil Rights Act of 1964.

The intent of the Civil Rights Act of 1991 and other civil rights and labor laws, such as the Age Discrimination in Employment Act of 1967, is being circumvented by companies that require all employees to submit to mandatory, binding arbitration. In other words, the company is compelling an agreement to arbitration without regard to basic civil rights of American workers or their right to secure final resolution of such disputes in a court of law under the rules of fairness and due process.

How then does the practice of mandatory, binding arbitration comport with the purpose and spirit of our nation's civil rights and sexual harassment laws? The answer is simply that it does not.

To address the growing incidents of compulsory arbitration, the Civil Rights Procedures Protection Act of 1999 amends seven civil rights statutes to guarantee that a federal civil rights or sexual harassment plaintiff can still seek the protection of the U.S. courts rather than be forced into mandatory, binding arbitration. Specifically, this legislation affects claims raised under Title VII of the Civil Rights Act of 1965, Section 505 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, Section 1977 of the Revised Statutes, the Equal Pay Act, the Family and Medical Leave Act and the Federal Arbitration Act (FAA). In the context of the Federal Arbitration Act, the protections of this legislation are extended to claims of unlawful discrimination arising under State or local law and other Federal laws that prohibit job discrimination.

Mr. President, this bill is not anti-arbitration, anti-mediation, or anti-alternative dispute resolution. I have long been and will remain a strong supporter of ''voluntary forms'' of alternative methods of dispute resolution that allow the parties to choose not to proceed to litigation. Rather, this bill targets only mandatory binding arbitration clauses in employment contracts. Increasingly, working men and women are faced with the choice of accepting a mandatory arbitration clause in their employment agreement or no employment at all. Despite the appearance of a freely negotiated contract, the reality often amounts to a non-negotiable requirement that prospective employees relinquish their rights to redress in a court of law. Mandatory arbitration allows employers to tell all current and prospective employees in effect, ''If you want to work for us, you will have to check your rights at the door.'' These requirements have been referred to as ''front door'' contracts; that is, they require an employee to surrender certain rights in order to ''get in the front door.'' As a nation which values work and deplores discrimination, we should not allow this practice to continue.

As I noted Mr. President, the 106th Congress marks the fourth successive Congress in which I have introduced this important legislation. In the past year, we have made some advances addressing the unfair use of mandatory binding arbitration clauses. Due to the attention focused on this issue through this legislation, a hearing in the Banking Committee last session, and a series of articles and editorials in prominent periodicals, the National Association of Securities Dealers (NASD) agreed to remove the mandatory binding arbitration clause from its Form U–4, which all prospective securities dealers sign as a condition of employment. The NASD's decision to remove the binding arbitration clause, however, does not prohibit its constituent organizations from including a mandatory, binding arbitration clause in their own employment agreements, even if it is not mandated by the industry as a whole.

These changes in the securities industry are a positive development, but the trend toward the use of mandatory, binding arbitration clauses in many industries continues. This bill restores the ability of working men and women to pursue their rights in a venue that they choose and therefore restores and reinvigorates the spirit of our nation's civil rights and sexual harassment laws in the context of these employment contracts. I ask my colleagues to join me in supporting this important legislation.

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

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

S. 121

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 ''Civil Rights Procedures Protection Act of 1999''.

SEC. 2. AMENDMENT TO TITLE VII OF THE CIVIL RIGHTS ACT OF 1964.

Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) is amended by adding at the end the following new section:

''SEC. 719. EXCLUSIVITY OF POWERS AND PROCEDURES.

''Notwithstanding any Federal law (other than a Federal law that expressly refers to this title) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under this title, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 3. AMENDMENT TO THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967.

The Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.) is amended—

(1) by redesignating sections 16 and 17 as sections 17 and 18, respectively; and

(2) by inserting after section 15 the following new section 16:

''SEC. 16. EXCLUSIVITY OF POWERS AND PROCEDURES.

''Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under this Act, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 4. AMENDMENT TO THE REHABILITATION ACT OF 1973.

Section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a) is amended by adding at the end the following new subsection:

''(c) Notwithstanding any Federal law (other than a Federal law that expressly refers to this title) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under section 501, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 5. AMENDMENT TO THE AMERICANS WITH DISABILITIES ACT OF 1990.

Section 107 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12117) is amended by adding at the end the following new subsection:

''(c) Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim based on a violation described in subsection (a), such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 6. AMENDMENT TO SECTION 1977 OF THE REVISED STATUTES.

Section 1977 of the Revised Statutes (42 U.S.C. 1981) is amended by adding at the end the following new subsection:

''(d) Notwithstanding any Federal law (other than a Federal law that expressly refers to this section) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim concerning making and enforcing a contract of employment under this section, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 7. AMENDMENT TO THE EQUAL PAY REQUIREMENT UNDER THE FAIR LABOR STANDARDS ACT OF 1938.

Section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)) is amended by

adding at the end the following new paragraph:

''(5) Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under this subsection, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 8. AMENDMENT TO THE FAMILY AND MEDICAL LEAVE ACT OF 1993.

Title IV of the Family and Medical Leave Act of 1993 (29 U.S.C. 2651 et seq.) is amended—

(1) by redesignating section 405 as section 406; and

(2) by inserting after section 404 the following new section:

''SEC. 405. EXCLUSIVITY OF REMEDIES.

''Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act or a provision of subchapter V of chapter 63 of title 5, United States Code) that would modify any of the powers and procedures expressly applicable to a right or claim arising under this Act or under such subchapter such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 9. AMENDMENT TO TITLE 9, UNITED STATES CODE.

Section 14 of title 9, United States Code, is amended—

(1) by inserting ''(a)'' before ''This''; and

(2) by adding at the end the following new subsection:

''(b) This chapter shall not apply with respect to a claim of unlawful discrimination in employment if such claim arises from discrimination based on race, color, religion, sex, national origin, age, or disability.''.

SEC. 10. APPLICATION OF AMENDMENTS.

The amendments made by this Act shall apply with respect to claims arising not later than the date of enactment of this Act.

By Mr. FEINGOLD:

S. 122. A bill to amend title 37, United States Code, to ensure equitable treatment of members of the National Guard and the other reserve components of the United States with regard to eligibility to receive special duty assignment pay, and for other purposes; to the Committee on Armed Services.

NATIONAL GUARD AND RESERVE SPECIAL DUTY ASSIGNMENT PAY EQUITY ACT OF 1999

Mr. FEINGOLD. Mr. President, I rise today to introduce legislation that restores a measure of pay equity for our nation's Guardsmen and Reservists. The men and women who serve in the Guard and Reserves are the cornerstones of our national defense and domestic infrastructure and deserve more than a pat on the back.

Mr. President, as I'm certain my colleagues are well aware, the Guard and Reserve are integral parts of overseas missions, including recent and ongoing missions to Iraq and Bosnia. According to statements by DOD officials, guardsmen and reservists will continue to play an increasingly important role in national defense strategy. The National Guard and Reserves deserve the full support they need to carry out their duties.

National Guard and Reserve members are becoming increasingly relied upon to shoulder more of the burden of military operations. We need to compensate our citizen-soldiers for this increasing reliance on the Reserve forces. Mr. President, this boils down to an issue of fairness.

Mr. President, my bill would correct special duty assignment pay inequities between the Reserve components and the active duty. These inequities should be corrected to take into account the National Guard and Reserves' increased role in our national security, especially on the front lines. Given the increased use of the Reserve components and DOD's increased reliance on them, Reservists deserve fair pay. My bill states that a Reservist who is entitled to basic pay and is performing special duty be paid special duty assignment pay.

Mr. President, right now, Reservists are getting shortchanged despite the vital role they play in our national defense. The special duty assignment pay program ensures readiness by compensating specific soldiers who are assigned to duty positions that demand special training and extraordinary effort to maintain a level of satisfactory performance. The program, as it stands now, effectively reduces the ability of the National Guard and Reserve to retain highly dedicated and specialized soldiers.

The special duty assignment pay program provides an additional monthly financial incentive paid to enlisted soldiers and airmen who are required to perform extremely demanding duties that require an unusual degree of responsibility. These special duty assignments include certain command sergeants major, guidance counselors, retention non-commissioned officers (NCO's), drill sergeants, and members of the Special Forces. These soldiers, however, do not receive special duty assignment pay while in an IDT status (drill weekends).

Between fiscal years 1998 and 1999, spending for the program was cut by $1.6 million, which has placed a fiscal restraint on the number of personnel the Army National Guard is able to provide for under this program. These soldiers deserve better.

Mr. President, this bill is paid for by terminating the ineffective, unnecessary, outdated Cold War relic known as Project ELF, or the Extremely Low Frequency Communication System, which costs approximately $12 million per year.

Mr. President, the differences in pay and benefits are particularly disturbing since National Guard and Reserve members give up their civilian salaries during the time they are called up or volunteer for active duty.

As I'm sure all my colleagues have heard, the President will propose an enormous boost in defense spending over the next six years; an increase of $12 billion for fiscal year 2000 and about $110 billion over the next six years. I have tremendous reservations about spending hikes of this magnitude, but have no such reservations in supporting this nation's citizen-soldiers. The National Guard and Reserve deserve pay and benefit equity and that means paying them what they're worth.

Mr. President, according to the National Guard, shortfalls in the operations and maintenance account compromise the Guard's readiness levels, capabilities, force structure, and end strength. Failing to fully support these vital areas will have both direct and indirect effects. The shortfall puts the Guard's personnel, schools, training, full-time support, and retention and recruitment at risk. Perhaps more importantly, however, it erodes the morale of our citizen-soldiers.

Over these past years, the Administration has increasingly called on the Guard and Reserves to handle wider-ranging tasks, while simultaneously offering defense budgets with shortfalls of hundreds of millions of dollars. These shortfalls have increasingly greater effect given the Guard and Reserves' increased operations burdens. This is a result of new missions, increased deployments, and training requirements.

Earlier this month, Charles Cragin, the assistant secretary of defense for reserve affairs, presented DOD's position with regard to the department's working relationship with the National Guard and Reserve. He stated that all branches of the military reserves will be called upon more frequently as the nation pares back the number of soldiers on active duty. This has clearly been DOD's policy for the past few years, but Mr. Cragin went a little further by stating that the reserve units can no longer be considered ''weekend warriors'' but primary components of national defense.

Mr. President, in the past, DOD viewed the Armed Forces as a two-pronged system, with active-duty troops being the primary prong, reinforced by the Reserve component. That strategy has changed with the downsizing of active forces. Defense officials now see reserves as part of the ''total force'' of the military.

The National Guard and Reserves will be called more frequently to active duty for domestic support roles and abroad in various peace-keeping efforts. They will also be vital players on special teams trained to deal with weapons of mass destruction deployed

within our own borders. According to many military experts, this represents a more salient threat to the United States than the threat of a ballistic missile attack that many of my colleagues have spent so much time addressing.

As I'm sure my colleagues know by now, the Army National Guard represents a full 34 percent of total army forces, including 55 percent of combat divisions and brigades, 46 percent of combat support, and 25 percent of combat service support, yet receives just 9.5 percent of Army funds.

Mr. President, it should come as no surprise that we have failed to invest fully in the National Guard. It's no surprise because it's the best bargain in the Defense Department. DOD has never been known as a frugal department. From $436 hammers to $640 toilet seats to $2 billion bombers that don't work and the department doesn't seem to want to use, the Department of Defense has a storied history of wasting our tax dollars. Here is an opportunity to spend defense dollars on something that works, that is worthwhile, and enjoys broad support on both sides of the aisle.

The National Guard fits the bill. According to a National Guard study, the average cost to train and equip an active duty soldier is $73,000 per year, while it costs $17,000 per year to train and equip a National Guard soldier. The cost of maintaining Army National Guard units is just 23 percent of the cost of maintaining Active Army units. It is time for the Pentagon to quit complaining about lack of funding and begin using their money more wisely and efficiently.

Mr. President, I have had the opportunity to see some of these soldiers off as they embarked on these missions and have welcomed them home upon their return, and I have been struck by the courage and professionalism they display. Guardsmen and Reservists have been vital on overseas missions, and here at home. In Wisconsin, the State Guard provides vital support during state emergencies, including floods, ice storms, and train derailments.

Mr. President, we have a duty to honor the service of our National Guardsmen and Reservists. One way to do that is to adequately compensate them for their service. I hope my colleagues agree that our citizen-soldiers serve an invaluable role in our national defense, and their paychecks should reflect their contribution.

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

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

S. 122

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 ''Guard and Reserve Special Duty Assignment Pay Equity Act of 1999''.

SEC. 2. ENTITLEMENT OF RESERVES NOT ON ACTIVE DUTY TO RECEIVE SPECIAL DUTY ASSIGNMENT PAY.

(a) AUTHORITY.—Section 307(a) of title 37, United States Code, is amended by inserting after ''is entitled to basic pay'' in the first sentence the following: '', or is entitled to compensation under section 206 of this title in the case of a member of a reserve component not on active duty,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first month that begins on or after the date of the enactment of this Act.

SEC. 3. OFFSET OF COST BY TERMINATION OF THE OPERATION OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM OF THE NAVY.

(a) TERMINATION REQUIRED.—The Secretary of the Navy shall terminate the operation of the Extremely Low Frequency Communication System of the Navy.

(b) MAINTENANCE OF INFRASTRUCTURE.—The Secretary shall maintain the infrastructure necessary for resuming operation of the Extremely Low Frequency Communication System.

(c) EXCESS SAVINGS TO BE CREDITED TO DEFICIT REDUCTION.—To the extent, if any, that the amount of expenditures forgone for a fiscal year for the operation of the Extremely Low Frequency Communication System by reason of this section exceeds the increased cost of paying special duty assignment pay in that fiscal year as a result of the amendment made by section 2, the excess amount shall be credited to budget deficit reduction for that fiscal year.

By Mr. FEINGOLD:

S. 123. A bill to phase out Federal funding of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

TENNESSEE VALLEY AUTHORITY

Mr. FEINGOLD. Mr. President, today I am introducing legislation, similar to bills I offered in the two previous Congresses, to terminate funding for the non-power programs of the Tennessee Valley Authority (TVA). In FY 99, after terminating funding for these programs in the FY 99 Energy and Water Appropriations bill, the Congress revived funding for these programs in the Omnibus Appropriations measure.

The TVA was created in 1933 as a government-owned corporation for the unified development of a river basin comprised of parts of seven states. Those activities included the construction of an extensive power system, for which the region is now famous, and regional development or ''non-power'' programs. TVA's responsibilities in the non-power programs include maintaining its system of dams, reservoirs and navigation facilities, and managing TVA-held lands. In addition, TVA provides recreational programs, makes economic development grants to communities, promotes public use of its land and water resources, and operates an Environmental Research Center. Only the TVA power programs are intended to be self-supporting, by relying on TVA utility customers to foot the bill. The cost of these ''non-power'' programs, on the other hand, is covered by appropriated taxpayer funds.

This legislation terminates funding for all appropriated programs of the TVA after FY 2000. While I understand the role that TVA has played in our history, I also know that we face tremendous federal budget pressure to reduce spending in many areas. I believe that TVA's discretionary funds should be on the table, and that Congress should act, in accordance with this legislation, to put the TVA appropriated programs on a glide path toward dependence on sources of funds other than appropriated funds. This legislation is a reasonable phased-in approach to achieve this objective, and explicitly codifies both prior recommendations made by the Administration and the TVA Chairman.

We should terminate TVA's appropriated programs because there are lingering concerns, brought to light in a 1993 Congressional Budget Office (CBO) report, that non-power program funds subsidize activities that should be paid for by non-federal interests. When I ran for the Senate in 1992, I developed an 82+ point plan to eliminate the federal deficit and have continued to work on the implementation of that plan since that time. That plan includes a number of elements in the natural resource area, including the termination of TVA's appropriations-funded programs.

In its 1993 report, CBO focused on two programs: the TVA Stewardship Program and the Environmental Research Center, which no longer receives federal funds. Stewardship activities receive the largest share of TVA's appropriated funds. The funds are used for dam repair and maintenance activities. According to 1995 testimony provided by TVA before the House Subcommittee on Energy and Water Appropriations, when TVA repairs a dam it pays 70%, on average, of repair costs with appropriated dollars and covers the remaining 30% with funds collected from electricity ratepayers.

This practice of charging a portion of dam repair costs to the taxpayer, CBO highlighted, amounts to a significant subsidy. If TVA were a private utility, and it made modifications to a dam or performed routine dredging, the ratepayers would pay for all of the costs associated with that activity.

Despite CBO's charges that a portion of the Stewardship funds may be subsidizing the power program, I have heard from a number of my constituents who are concerned that some of the TVA's non-power activities are critical federal functions. In order to be certain that Congress would be acting properly to terminate certain functions while preserving others under TVA or transferring them to other federal agencies, this bill directs OMB to

study TVA's non-power programs. That study, which must be completed by June 1, 1999, requires OMB to evaluate TVA's non-power programs, describe which of those are necessary federal functions, and recommend whether those which are federal functions should be performed by TVA or by another agency. That way, Mr. President, Congress will be fully informed before making a final decision to terminate these funds.

Again, while I understand the important role that TVA played in the development of the Tennessee Valley, many other areas of the country have become more creative in federal and state financing arrangements to address regional concerns. Specifically, in those areas where there may be excesses within TVA, I believe we can do better to curb subsidies and eliminate the burden on taxpayers without completely eliminating the TVA, as some in the other body have suggested.

I ask unanimous consent that the full text of this measure be printed in the RECORD.

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

S. 123

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

SECTION 1. TENNESSEE VALLEY AUTHORITY.

(a) DISCONTINUANCE OF APPROPRIATIONS.—Section 27 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831z), is amended by inserting ''for fiscal years through fiscal year 2000'' before the period.

(b) PLAN.—Not later than June 1, 1999, the Director of the Office of Management and Budget shall develop and submit a plan to Congress that—

(1) reviews the non-power activities conducted by the Tennessee Valley Authority using appropriated funds; and

(2) determines whether the non-power activities performed by the Tennessee Valley Authority can be adequately performed by other federal agencies, and if so, describes the resources needed by other agencies to perform such activities; and

(3) describes on-going federal interest in the continuation of the non-power activities currently performed by the Tennessee Valley Authority; and

(4) recommends any legislation that may be appropriate to carry out the objectives of this Act.

By Mr. FEINGOLD:

S. 124. A bill to amend the Agricultural Adjustment Act to prohibit the Secretary of Agriculture from basing minimum prices for Class I milk on the distance or transportation costs from any location that is not within a marketing area, except under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

ABOLISHING THE ANTI-EAU CLAIRE RULE

Mr. FEINGOLD. Mr. President, I rise today to offer a measure which will serve as a first step towards eliminating the inequities borne by the dairy farmers of Wisconsin and the upper Midwest under the Federal Milk Marketing Order system. The Federal Milk Marketing Order system, created nearly 60 years ago, establishes minimum prices for milk paid to producers throughout various marketing areas in the U.S. For sixty years, this system has discriminated against producers in the Upper Midwest by awarding a high price to dairy farmers in proportion to the distance of their farms from Eau Claire, Wisconsin.

This legislation is very simple. It identifies the single most harmful and unjust feature of the current system, and corrects it.

Under the current archaic law, the price for fluid milk increases at a rate of 21 cents per hundred miles from Eau Claire, Wisconsin, even though most milk marketing orders do not receive any milk from Wisconsin. Fluid milk prices, as a result, are $2.98 higher in Florida than in Wisconsin and over $1.00 higher in Texas. This method of pricing fluid milk is not only arbitrary, but also out of date and out of sync with the market conditions of 1999. It is time for this method of pricing—known as single-basing-point pricing—to come to an end.

The bill I introduce today will prohibit the Secretary of Agriculture from using distance or transportation costs from any location as the basis for pricing milk, unless significant quantities of milk are actually transported from that location into the recipient market. The Secretary will have to comply with the statutory requirement that supply and demand factors be considered as specified in the Agricultural Marketing Agreement Act when setting milk prices in marketing orders. The fact remains that single-basing-point pricing simply cannot be justified based on supply and demand for milk both in local and national markets.

This bill also requires the Secretary to report to Congress on specifically which criteria are used to set milk prices. Finally, the Secretary will have to certify to Congress that the criteria used by the Department do not in any way attempt to circumvent the prohibition on using distance or transportation cost as basis for pricing milk.

This one change is so crucial to Upper Midwest producers, because the current system has penalized them for many years. By providing disparate profits for producers in other parts of the country and creating artificial economic incentives for milk production, Wisconsin producers have seen national surpluses rise, and milk prices fall. Rather than providing adequate supplies of fluid milk in some parts of the country, the prices have led to excess production.

The prices have provided production incentives beyond those needed to ensure a local supply of fluid milk in some regions, leading to an increase in manufactured products in those marketing orders. Those manufactured products directly compete with Wisconsin's processed products, eroding our markets and driving national prices down.

The perverse nature of this system is further illustrated by the fact that since 1995 some regions of the U.S., notably the Central states and the Southwest, are producing so much milk that they are actually shipping fluid milk north to the Upper Midwest. The high fluid milk prices have generated so much excess production, that these markets distant from Eau Claire are now encroaching upon not only our manufactured markets, but also our markets for fluid milk, further eroding prices in Wisconsin.

The market distorting effects of the fluid price differentials in federal orders are manifest in the Congressional Budget Office estimate that eliminating the orders would save $669 million over five years. Government outlays would fall, CBO concludes, because production would fall in response to lower milk prices and there would be fewer government purchases of surplus milk. The regions which would gain and lose in this scenario illustrate the discrimination inherent to the current system. Economic analyses show that farm revenues in a market undisturbed by Federal Orders would actually increase in the Upper Midwest and fall in most other milk-producing regions.

The data clearly show that Upper Midwest producers are hurt by distortions built into a single-basing-point system that prevent them from competing effectively in a national market.

While this system has been around since 1937, the practice of basing fluid milk price differentials on the distance from Eau Claire was formalized in the 1960's, when the Upper Midwest arguably was the primary reserve for additional supplies of milk. The idea was to encourage local supplies of fluid milk in areas of the country that did not traditionally produce enough fluid milk to meet their own needs.

Mr. President, that is no longer the case. The Upper Midwest is neither the lowest cost production area nor a primary source of reserve supplies of milk. In many of the markets with higher fluid milk differentials, milk is produced efficiently, and in some cases, at lower cost than the Upper Midwest. Unfortunately, the prices didn't adjust with changing economic conditions, most notably the shift of the dairy industry away from the Upper Midwest and towards the Southwest, specifically California, which now leads the nation in milk production.

Fluid milk prices should have been lowered to reflect that trend. Instead, in 1985, the prices were increased for markets distant from Eau Claire.

USDA has refused to use the administrative authority provided by Congress to make the appropriate adjustments to reflect economic realities. They continue to stand behind single-basing-point pricing.

The result has been a decline in the Upper Midwest dairy industry, not because they can't produce a product that can compete in the market place, but because the system discriminates against them. Since 1980, Wisconsin has lost over 15,000 dairy farmers. Today, Wisconsin loses dairy farmers at a rate of 5 per day. The Upper Midwest, with the lowest fluid milk prices, is shrinking as a dairy region despite the dairy-friendly climate of the region. Other regions with higher fluid milk prices are growing rapidly.

In an unregulated market with a level playing field, these shifts in production might be fair. But in a market where the government is setting the prices and providing that artificial advantage to regions outside the Upper Midwest, the current system is unconscionable.

This bill is a first step in reforming federal orders by prohibiting a grossly unfair practice that should have been dropped long ago. Although I understand that, because of mandates in the 1996 Farm Bill, the USDA is currently deliberating possible changes to the current system, one of the options being considered maintains this debilitating single-basing-point pricing system. This bill is the beginning of reform. It identifies the one change that is absolutely necessary in any outcome—the elimination of single-basing-point pricing.

I urge the Secretary of Agriculture to do the right thing and bring reform to this out-dated system. No proposal is reform without this important policy change.

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

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

S. 124

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

SECTION 1. LOCATION ADJUSTMENTS FOR MINIMUM PRICES FOR CLASS I MILK.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A)—

(A) in clause (3) of the second sentence, by inserting after ''the locations'' the following: ''within a marketing area subject to the order''; and

(B) by striking the last 2 sentences and inserting the following: ''Notwithstanding subsection (18) or any other provision of law, when fixing minimum prices for milk of the highest use classification in a marketing area subject to an order under this subsection, the Secretary may not, directly or indirectly, base the prices on the distance from, or all or part of the costs incurred to transport milk to or from, any location that is not within the marketing area subject to the order, unless milk from the location constitutes at least 50 percent of the total supply of milk of the highest use classification in the marketing area. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the criteria that are used as the basis for the minimum prices referred to in the preceding sentence, including a certification that the minimum prices are made in accordance with the preceding sentence.''; and

(2) in paragraph (B)(c), by inserting after ''the locations'' the following: ''within a marketing area subject to the order''.

By Mr. FEINGOLD (for himself and Mr. MCCAIN):

S. 125. A bill to reduce the number of executive branch political appointees; to the Committee on Governmental Affairs.

REDUCING THE NUMBER OF EXECUTIVE BRANCH POLITICAL APPOINTMENTS

Mr. FEINGOLD. Mr. President, I am pleased to be joined by my good friend the senior Senator from Arizona (Mr. MCCAIN) in introducing legislation to reduce the number of presidential political appointees. Specifically, the bill caps the number of political appointees at 2,000. The Congressional Budget Office (CBO) estimates this measure would save $333 million over the next five years.

The bill is based on the recommendations of a number of distinguished panels, including most recently, the Twentieth Century Fund Task Force on the Presidential Appointment Process. The task force findings, released last fall, are only the latest in a long line of recommendations that we reduce the number of political appointees in the Executive Branch. For many years, the proposal has been included in CBO's annual publication Reducing the Deficit: Spending and Revenue Options, and it was one of the central recommendations of the National Commission on the Public Service, chaired by former Federal Reserve Board Chairman Paul Volcker.

Mr. President, this proposal is also consistent with the recommendations of the Vice President's National Performance Review, which called for reductions in the number of federal managers and supervisors, arguing that ''over-control and micro management'' not only ''stifle the creativity of line managers and workers, they consume billions per year in salary, benefits, and administrative costs.''

Those sentiments were also expressed in the 1989 report of the Volcker Commission, when it argued the growing number of presidential appointees may ''actually undermine effective presidential control of the executive branch.'' The Volcker Commission recommended limiting the number of political appointees to 2,000, as this legislation does.

Mr. President, it is essential that any Administration be able to implement the policies that brought it into office in the first place. Government must be responsive to the priorities of the electorate. But as the Volcker Commission noted, the great increase in the number of political appointees in recent years has not made government more effective or more responsive to political leadership.

Between 1980 and 1992, the ranks of political appointees grew 17 percent, over three times as fast as the total number of Executive Branch employees and looking back to 1960 their growth is even more dramatic. In his recently published book ''Thickening Government: Federal Government and the Diffusion of Accountability,'' author Paul Light reports a startling 430% increase in the number of political appointees and senior executives in Federal government between 1960 and 1992.

In recommending a cap on political appointees, the Volcker Commission report noted that the large number of presidential appointees simply cannot be managed effectively by any President or White House. The Commission argued that this lack of control and political focus ''may actually dilute the President's ability to develop and enforce a coherent, coordinated program and to hold cabinet secretaries accountable.''

Adding organizational layers of political appointees can also restrict access to important resources, while doing nothing to reduce bureaucratic impediments.

In commenting on this problem, author Paul Light noted, ''As this sediment has thickened over the decades, presidents have grown increasingly distant from the lines of government, and the front lines from them.'' Light added that ''Presidential leadership, therefore, may reside in stripping government of the barriers to doing its job effectively. . .''

The Volcker Commission also asserted that this thickening barrier of temporary appointees between the President and career officials can undermine development of a proficient civil service by discouraging talented individuals from remaining in government service or even pursuing a career in government in the first place.

Mr. President, former Attorney General Elliot Richardson put it well when he noted:

> But a White House personnel assistant sees the position of deputy assistant secretary as a fourth-echelon slot. In his eyes that makes it an ideal reward for a fourth-echelon political type—a campaign advance man, or a regional political organizer. For a senior civil servant, it's irksome to see a position one has spent 20 or 30 years preparing for preempted by an outsider who doesn't know the difference between an audit exception and an authorizing bill.

Mr. President, the report of the Twentieth Century Fund Task Force

on the Presidential Appointment Process identified another problem aggravated by the mushrooming number of political appointees, namely the increasingly lengthy process of filling these thousands of positions. As the Task Force reported, both President Bush and President Clinton were into their presidencies for many months before their leadership teams were fully in place. The Task Force noted that ''on average, appointees in both administrations were confirmed more than eight months after the inauguration—one-sixth of an entire presidential term.'' By contrast, the report noted that in the presidential transition of 1960, ''Kennedy appointees were confirmed, on average, two and a half months after the inauguration.''

In addition to leaving vacancies among key leadership positions in government, the appointment process delays can have a detrimental effect on potential appointees. The Twentieth Century Fund Task Force reported that appointees can ''wait for months on end in a limbo of uncertainty and awkward transition from the private to the public sector.''

Mr. President, there have been some modest reductions in the number of political appointees in recent years, but further reductions are needed.

The sacrifices that deficit reduction efforts require must be spread among all of us. This measure requires us to bite the bullet and impose limitations upon political appointments that both parties may well wish to retain. The test of commitment to deficit reduction, however, is not simply to propose measure that impact someone else.

As reduce the number of government employees, streamline agencies, and make government more responsive, we should also right size the number of political appointees, ensuring a sufficient number to implement the policies of any Administration without burdening the Federal budget with unnecessary, possibly counterproductive political jobs.

Mr. President, when I ran for the U.S. Senate in 1992, I developed an 82 point plan to reduce the Federal deficit and achieve a balanced budget. Since that time, I have continued to work toward enactment of many of the provisions of that plan and have added new provisions on a regular basis.

The legislation I am introducing today reflects one of the points included on the original 82 point plan calling for streamlining various federal agencies and reducing agency overhead costs. I am pleased to have this opportunity to continue to work toward implementation of the elements of the deficit reduction plan.

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

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

S. 125

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

SECTION 1. REDUCTION IN NUMBER OF POLITICAL APPOINTEES.

(a) DEFINITION.—In this section, the term ''political appointee'' means any individual who—

(1) is employed in a position on the executive schedule under sections 5312 through 5316 of title 5, United States Code;

(2) is a limited term appointee, limited emergency appointee, or noncareer appointee in the senior executive service as defined under section 3132(a) (5), (6), and (7) of title 5, United States Code, respectively; or

(3) is employed in a position in the executive branch of the Government of a confidential or policy-determining character under Schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.

(b) LIMITATION.—The President, acting through the Office of Management and Budget and the Office of Personnel Management, shall take such actions as necessary (including reduction in force actions under procedures established under section 3595 of title 5, United States Code) to ensure that the total number of political appointees shall not exceed 2,000.

(c) EFFECTIVE DATE.—This section shall take effect on October 1, 1999.

By Mr. FEINGOLD:

S. 126. A bill to terminate the Uniformed Services University of the Health Sciences; to the Committee on Armed Services.

TERMINATING THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Mr. FEINGOLD. Mr. President, I am today introducing legislation terminating the Uniformed Services University of the Health Sciences (USUHS), a medical school run by the Department of Defense. The measure is one I proposed when I ran for the U.S. Senate, and was part of a larger, 82 point plan to reduce the Federal budget deficit. The most recent estimates of the Congressional Budget Office (CBO) project that terminating the school would save $273 million over the next five years, and when completely phased-out, would generate $450 million in savings over five years.

USUHS was created in 1972 to meet an expected shortage of military medical personnel. Today, however, USUHS accounts for only a small fraction of the military's new physicians, less than 12 percent in 1994 according to CBO. This contrasts dramatically with the military's scholarship program which provided over 80 percent of the military's new physicians in that year.

Mr. President, what is even more troubling is that USUHS is also the single most costly source of new physicians for the military. CBO reports that based on figures from 1995, each USUHS trained physician costs the military $615,000. By comparison, the scholarship program cost about $125,000 per doctor, with other sources providing new physicians at a cost of $60,000. As CBO noted in their Spending and Revenue Options publication, even adjusting for the lengthier service commitment required of USUHS trained physicians, the cost of training them is still higher than that of training physicians from other sources, an assessment shared by the Pentagon itself. Indeed, CBO's estimate of the savings generated by this measure also includes the cost of obtaining physicians from other sources.

The House of Representatives has voted to terminate this program on several occasions, and the Vice President's National Performance Review joined others, ranging from the Grace Commission to the CBO, in raising the question of whether this medical school, which graduated its first class in 1980, should be closed because it is so much more costly than alternative sources of physicians for the military.

Mr. President, the real issue we must address is whether USUHS is essential to the needs of today's military structure, or if we can do without this costly program. The proponents of USUHS frequently cite the higher retention rates of USUHS graduates over physicians obtained from other sources as a justification for continuation of this program, but while a greater percentage of USUHS trained physicians may remain in the military longer than those from other sources, the Pentagon indicates that the alternative sources already provide an appropriate mix of retention rates. Testimony by the Department of Defense before the Subcommittee on Force Requirements and Personnel noted that the military's scholarship program meets the retention needs of the services.

And while USUHS only provides a small fraction of the military's new physicians, it is important to note that relying primarily on these other sources has not compromised the ability of military physicians to meet the needs of the Pentagon. According to the Office of Management and Budget, of the approximately 2,000 physicians serving in Desert Storm, only 103, about 5%, were USUHS trained.

Mr. President, let me conclude by recognizing that USUHS has some dedicated supporters in the U.S. Senate, and I realize that there are legitimate arguments that those supporters have made in defense of this institution. The problem, however, is that the federal government can no longer afford to continue every program that provides some useful function.

This is especially true in the area of defense spending. Many in this body argue that the Defense budget is too tight, that a significant increase in spending is needed to address concerns about shortfalls in recruitment and retention, maintenance backlogs, and other indicators of a lower level of readiness.

Mr. President, the debate over our level of readiness is certainly important, and it may well be that more Defense funding should be channeled to these specific areas of concern.

But before advocates of an increased Defense budget ask taxpayers to foot the bill for hundreds of billions more in spending, they owe it to those taxpayers to trim Defense programs that are not justified.

In the face of our staggering national debt and annual deficits, we must prioritize and eliminate programs that can no longer be sustained with limited federal dollars, or where a more cost-effective means of fulfilling those functions can be substituted. The future of USUHS continues to be debated precisely because in these times of budget restraint it does not appear to pass the higher threshold tests which must be applied to all federal spending programs.

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

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

S. 126

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 ''Uniformed Services University of the Health Sciences Termination and Deficit Reduction Act of 1999''.

SEC. 2. TERMINATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) TERMINATION.—

(1) IN GENERAL.—The Uniformed Services University of the Health Sciences is terminated.

(2) CONFORMING AMENDMENTS.—

(A) Chapter 104 of title 10, United States Code, is repealed.

(B) The table of chapters at the beginning of subtitle A of such title, and at the beginning of part III of such subtitle, are each amended by striking out the item relating to chapter 104.

(b) EFFECTIVE DATES.—

(1) TERMINATION.—The termination of the Uniformed Services University of the Health Sciences under subsection (a)(1) shall take effect on the day after the date of the graduation from the university of the last class of students that enrolled in such university on or before the date of the enactment of this Act.

(2) AMENDMENTS.—The amendments made by subsection (a)(2) shall take effect on the date of the enactment of this Act, except that the provisions of chapter 104 of title 10, United States Code, as in effect on the day before such date, shall continue to apply with respect to the Uniformed Services University of the Health Sciences until the termination of the university under this section.

By Mr. FEINGOLD;

S. 127. A bill to amend the Agricultural Market Transition Act to prohibit the Secretary of Agriculture from including any storage charges in the calculation of loan deficiency payments or loans made to producers for loan commodities; to the Committee on Agriculture, Nutrition, and Forestry.

COTTON STORAGE SUBSIDY

Mr. FEINGOLD. Mr. President, today I rise to introduce legislation, originally introduced in the 105th Congress. This measure will give relief to the taxpayers of this country, who now pay millions every year to provide cotton producers with an expensive and unnecessary perk no other farmer enjoys.

Each year, the Federal Government's Agriculture Department pays millions of dollars in storage costs for cotton farmers. Last year, this program provided more than $23 million to store the cotton crop of participating farmers. My measure puts all commodities on a more equal footing by eliminating the storage subsidy for cotton, the only commodity whose producers still enjoy this privilege.

Mr. President, prior to the passage of the 1996 Freedom to Farm bill, farmers producing wheat and feed grains relied heavily on the Farmer Owned Reserve Program to assist them in repaying their overdue loans when times were tough. They would roll their non-recourse loans into the Farmer Owned Reserve Program which would allow them the opportunity to pay back their loan, without interest, and also get assistance in paying storage costs. Although cotton producers were not eligible to participate in that particular program, they were offered a similar subsidy and other perks through the cotton program. Those were the days of heavy agriculture subsidization, when the government dictated prices, provided price supports, and more often than not, had over-surpluses of wheat, corn and other feed grains—driving down domestic prices. The 1996 Farm Bill, sought to bring farm policy in line with a realistic agricultural and economic view, that the agriculture industry must be more market oriented—must not rely so much on government price interference.

Mr. President, although the Farm Bill was successful in ridding agriculture policy of much of the weight of government intrusion that burdened it for years, there are still hidden subsidies costing taxpayers billions. This legislation would prevent USDA from factoring cotton industry storage costs into Marketing Loan Program calculations. This costly and unnecessary benefit is bestowed on the producers of no other commodity.

Farmers, except those who produce cotton, are required to pay storage cost through the maturity date of their support loans. Producers must prepay or arrange to pay storage costs through the loan maturity date or USDA reduces the amount of the loan by deducting the amount necessary for prepaid storage. Cotton producers are not required to prepay storage costs. When they redeem a loan under marketing loan provisions or forfeit collateral, USDA pays the cost of the accrued storage.

It is interesting to note, Mr. President, that in a 1994 audit of the cotton program, USDA's Office of Inspector General found no reason for USDA to pay the accrued storage costs of cotton producers. The Inspector General recommended that USDA ''revise procedures to eliminate the automatic payment of cotton storage charges by CCC and make provisions consistent with the treatment of storage charges on other program crops''.

Although those in the cotton industry will argue that the automatic payments were eliminated in the Farm Bill, in reality, those payments are now simply hidden. It's true that certain provisions have been removed from the statute which mandates that USDA pay these charges. Now, USDA freely chooses to waste the taxpayers money by paying these costs, allowing cotton producers to subtract their storage costs from the market value of their cotton, providing a larger difference with the loan rate, and therefore receiving a higher return.

Marketing Loan Programs are designed to encourage producers to redeem their loans and market their crops, but USDA payment of cotton storage costs discourage loan redemption. As long as the adjusted world price is at or below the loan rate, producers can delay loan redemption in the secure expectation that domestic prices will rise or the adjusted world price will decline regardless of accruing storage costs.

Mr. President, its time to stop kidding ourselves. Let's eliminate this subsidy before it costs hardworking Americans any more. Let's bring equity to the commodities program. Lets finish what the Farm Bill started—a more market oriented agriculture program. One that benefits us all.

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

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

S. 127

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

SECTION 1. STORAGE CHARGES FOR LOAN COMMODITIES.

Subtitle C of the Agricultural Market Transition Act (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

''SEC. 138. STORAGE CHARGES FOR LOAN COMMODITIES.

''In calculating the amount of a loan deficiency payment or loan made to a producer for a loan commodity under this subtitle, the Secretary may not include any storage charges incurred by the producer in connection with the loan commodity.''.

By Mr. FEINGOLD (for himself, Mr. KOHL, Mr. WYDEN, and Mr. JOHNSON):

S. 128. A bill to terminate operation of the Extremely Low Frequency Communication System of the Navy; to the Committee on Armed Services.

TO TERMINATE OPERATION OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM OF THE NAVY

Mr. FEINGOLD. Mr. President, I once again come to the floor to offer a bill to terminate the Navy's Extremely Low Frequency Communication System. I am again pleased to be joined in introducing this bill with the senior Senator from Wisconsin (Mr. KOHL) and the Senator from Oregon (Mr. WYDEN).

Mr. President, this bill would terminate the operation of the Navy's Extremely Low Frequency Communication System, or Project ELF, as it's more familiarly known, while maintaining the infrastructure in Wisconsin and Michigan for resuming should a resumption in operation become necessary. As my colleagues are well aware, I have long opposed this needless project.

Project ELF is an ineffective, unnecessary, outdated Cold War relic that is not wanted by most residents in my state. The members of the Wisconsin delegation have fought hard for years to close down Project ELF; I have introduced legislation during each Congress since taking office to terminate it; and I have even recommended it for closure to the Defense Base Closure and Realignment Commission.

This project has been opposed by residents of Wisconsin since its inception, but for years we were told that the national security considerations of the Cold War outweighed our concerns about this installation in our state. As we continue our efforts to truly balance the federal budget and as the Department of Defense continues to struggle to address readiness concerns, it is clear that Project ELF should be closed down. If enacted, my legislation would save approximately $12 million a year.

Project ELF is a one-way, primitive messenger system designed to signal to—not communicate with—deeply submerged Trident nuclear submarines. It is a ''bell ringer'', a pricey beeper system, used to tell the submarine when to rise to the surface to get a detailed message through a less primitive communications systems.

It was designed at a time when the threat and consequences of detection to our submarines was real. But ELF was never developed to an effective capability, and the demise of the Soviet threat has certainly rendered it unnecessary.

In fact, Mr. President, the submarine capabilities of our potential adversaries have noticeably deteriorated or remain far behind those of our Navy. The primary mission of our attack submarines was to fight the heart of the Soviet navy, its attack submarine force. This mission included hunting down Soviet submarines. Due to Russia's continued economic hardships, they continue to cede ground to us in technology and training. Reports even contend that Russia is having trouble keeping just one or two of its strategic nuclear submarines operational. According to General Eugene E. Habiger, USAF (Ret.) and former commander of the U.S. Strategic Command, Moscow's ''sub fleet is belly-up.''

Further, of our known potential adversaries, only Russia and China possess ballistic missile-capable submarines. And China's one ballistic missile capable submarine is used solely as a test platform. Russia's submarine fleet has shrunk from more than 300 vessels to about 100. Even Russia's most modern submarines can't be used to full capability because Russia can't adequately train its sailors. The threat for which Project ELF was designed no longer exists.

Even the Pentagon and members of this body are beginning to see the need for reevaluating our strategic forces, including our Trident ballistic missile submarines. Earlier this month, Chief of Naval Operations Admiral Jay Johnson told the Senate Armed Services Committee that he wants to reduce the fleet from 18 to 14. And Chairman WARNER agreed with the need to reevaluate priorities on strategic weapons.

With the end of the Cold War, Project ELF becomes harder and harder to justify. Trident submarines no longer need to take that extra precaution against Soviet nuclear forces. They can now surface on a regular basis with less danger of detection or attack. They can also receive more complicated messages through very low frequency (VLF) radiowaves or lengthier messages through satellite systems, if it can be done more cheaply.

During the 103rd Congress, I worked with Senator Nunn to include an amendment in the National Defense Authorization Act for fiscal year 1994 requiring a report by the Secretary of Defense on the benefits and costs of continued operation of Project ELF. The report issued by DoD was particularly disappointing because it basically argued that because Project ELF may have had a purpose during the Cold War, it should continue to operate after the Cold War as part of the complete complement of command and control links configured for the Cold War.

Did Project ELF play a role in helping to minimize the Soviet threat? Perhaps. Did it do so at risk to the community? Perhaps. Does it continue to play a vital security role to the Nation? No.

In the fiscal year 1996 DoD authorization bill, the Senate cut funding for the program, but again it was resurrected in conference.

I'd like to note here that Members in both Wisconsin and Michigan, the states in which Project ELF is located, support terminating the project. Also, former Commanders-in-Chief of Strategic Command, General George Lee Butler and General Eugene E. Habiger, called for an end to cold war nuclear weapons practices, of which Project ELF is a harrowing reminder. Additionally, the Center for Defense Information called for ending the program, noting that ''U.S. submarines operating under present and foreseeable worldwide military conditions can receive all necessary orders and instructions in timely fashion without need for Project ELF.''

As I mentioned, this bill would terminate operation of Project ELF, but would call for the Defense Department to maintain its infrastructure. Should Project ELF become necessary for future military action, DoD could quickly bring it back on-line. In essence, this bill would save DoD some much-needed operations and maintenance funds without degrading its capabilities.

Mr. President, I'd also like to briefly touch on the public health and environmental concerns associated with Project ELF. For almost two decades, we have received inconclusive data on this project's effects on Wisconsin and Michigan residents. In 1984, a U.S. District Court ordered that the project be shut down because the Navy paid inadequate attention to the system's possible health effects and violated the National Environmental Policy Act. Interestingly, that decision was overturned because U.S. national security, at the time, prevailed over public health and environmental concerns.

More than 40 medical studies point to a link between electromagnetic pollution and cancer and abnormalities in both animal and plant species. Metal fences near the two transmitters must be grounded to avoid serious shock from the presence of high voltages.

Mr. President, last year, an international committee, convened by the National Institute of Environmental Health Sciences urged the study of electric and magnetic fields as a possible cause of cancer. Project ELF produces the same kind of electric and magnetic fields cited by this distinguished committee. The committee's announcement seems to confirm the fears of many of my constituents.

And recently, I have heard from a number of dairy farmers who are convinced that the stray voltage associated with ELF transmitters has demonstrably reduced milk production.

In recent years, a coalition of fiscal conservatives and environmentalists have targeted Project ELF because it both fiscally and environmentally harmful. The coalition, which includes groups like the Concord Coalition, Taxpayers for Common Sense, the National

Wildlife Federation, and Friends of the Earth, took aim at about 70 wasteful and dangerous programs. I hope we take their heed and end this program.

Mr. President, this bill achieves two vital goals of many of my colleagues here. It terminates a wasteful and unnecessary Cold War era program, while allowing the Pentagon to address its readiness shortfalls. This is a win-win situation and I hope my colleagues will support this legislation.

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

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

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

SECTION 1. TERMINATION OF OPERATION OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM.

(a) TERMINATION REQUIRED.—The Secretary of the Navy shall terminate the operation of the Extremely Low Frequency Communication System of the Navy.

(b) MAINTENANCE OF INFRASTRUCTURE.—The Secretary shall maintain the infrastructure necessary for resuming operation of the Extremely Low Frequency Communication System.

By Mr. FEINGOLD (for himself, Mr. LAUTENBERG, Mr. WYDEN, and Mr. JOHNSON):

S. 129. A bill to terminate the F/A–18E/F aircraft program; to the Committee on Armed Services.

TERMINATION OF THE F/A–18E/F AIRCRAFT PROGRAM

Mr. FEINGOLD. Mr. President, I rise today to again introduce legislation terminating the U.S. Navy's F/A–18E/F Super Hornet Program. I am pleased to be joined again by Senator LAUTENBERG and Senator WYDEN on this important legislation.

Mr. President, given the Pentagon's self-reported readiness crisis, I have serious doubts as to whether we can continue funding this costly program while it fails to live up to expectations and continues to experience highly visible problems.

In just the past year, we've been told that the program-threatening wing drop problem is solved, but maybe not completely. We've also learned that program officials may not have been exactly forthright in letting Pentagon superiors in on the seriousness of that problem. We've learned that the Super Hornet doesn't meet all of the performance standards expected of it. And most recently, we've learned that cracks in the aircraft's engines have forced the Navy to approach another contractor.

This, Mr. President, should not be the track record of the plane that the Navy called the ''future of naval aviation.'' In fact, this history more closely resembles the previously-canceled A–12 attack plane. And I know that neither the Pentagon nor the Congress wants another debacle like the A–12.

Mr. President, I began this debate over the Super Hornet in 1997 on the basis of the 1996 General Accounting Office report ''Navy Aviation: F/A–18E/F Will Provide Marginal Operational Improvement at High Cost.'' In this report, GAO studied the rationale and need for the F/A–18E/F in order to determine whether continued development of the aircraft is the most cost-effective approach to modernizing the Navy's tactical aircraft fleet. GAO concluded that the marginal improvements of the F/A–18E/F are far outweighed by the high cost of the program.

Since that time, I have offered numerous pieces of legislation that run the gamut from outright termination of the program to continued oversight of it. I asked GAO for a follow-up review. I have even asked DoD's Inspector General to investigate various aspects of the program, including testing evaluation. The one constant, however, has been the program's continuing disappointments.

Mr. President, as we have all heard by now, wing drop causes the aircraft to rock back and forth when it is flying at altitudes and speeds at which air-to-air combat maneuvers are expected to occur.

What really disturbs me about wing drop is that almost a year and a half went by after the discovery of the problem before the Office of the Secretary of Defense acknowledged the problem. The Pentagon's ignorance is caused either by shamefully poor communication or the withholding of program information by the Navy. For that reason, I have asked the DoD Inspector General to take a look at the wing drop fiasco.

Mr. President, the Navy's Super Hornet test team discovered the wing drop problem in March, 1996. In October of that year, the Navy rated it a priority problem. On February 5, 1997, wing drop was placed on an official deficiency report. In that report, the Navy classified wing drop as a **1 deficiency. In other words, one that will cause aircraft control loss, equipment destruction, or injury. This is the most serious category that the Navy assigns to program deficiencies. In the same report, the Super Hornet's test director stated that wing drop, ''will prevent or severely restrict the performance of air-to-air tracking tasks during air-to-air combat maneuvering. Therefore, the operational effectiveness will be compromised.'' On March 12, 1997, the test team characterized the problem as being ''an unacceptable deficiency''.

Two weeks later, the Navy's Defense Acquisition Board met with the test team, which failed to mention the wing drop problem at all. Following that meeting, Secretary Cohen approved the group's recommendation to spend 1.9 billion dollars for the first dozen Super Hornets.

In November, 1997, the assistant secretary of Defense reportedly first informed the Navy Secretary of the wing drop problem. In December, the problem was moved to the program's high-risk category. It should also be noted that wing drop was considered by the Navy and the contractor, Boeing, to be the most challenging technical risk to the program at that time. This past February 4, Secretary Cohen stated unequivocally that the program would ''not go forward until wing drop is corrected.'' A month later, a Navy blue ribbon panel reported that the Navy does ''not have a good understanding'' of wing drop and that the current porous wing fold fix is ''not a solution''. In May, Secretary Cohen released funds for the second round of production aircraft. Through it all, the Pentagon apparently didn't think wing drop was significant enough to warrant full disclosure.

Following the release of the 1998 GAO report and reports of the wing drop fiasco, I asked the Secretary to document the wing drop problem. Specifically, I asked Secretary Cohen questions on who knew of the problem and when they knew it.

In April, I received the Secretary's disappointing response. The essence of his answers to my questions is that wing drop was not a significant enough issue to warrant disclosure to the Defense Acquisition Board before its decision to recommend production of the first lot of aircraft.

Mr. President, given the Navy's classification of wing drop, the test director's assessment of the mission impact, and the significant efforts that were underway to resolve the problem, the Navy's failure to discuss the wing drop problem with DoD officials responsible for making the decision on whether to proceed into production of the initial Super Hornets reflects, in my view, questionable judgement at best and underscores the need for continued DoD and congressional oversight of the Super Hornet's development and production program.

One final point, Mr. President. It should be made clear that DoD and the Navy did not begin openly discussing wing drop until after the assistant secretary John Douglass' November 20, 1997, memo on the issue to Navy Secretary John Dalton appeared in the press. In fact, during a February, 1998, hearing before the House National Security Committee's Research and Development Subcommittee, Chairman Curt Weldon voiced his displeasure with having to learn about the Super Hornet's wing drop problem through the media rather than from the Navy. If the chairman of the subcommittee responsible for the development of the Super Hornet has to rely on the media to learn about one of the Defense Department's costliest programs, then I think it's fairly reliable that all the information was not made available.

Mr. President, the Navy has based the need for development and procurement of the F/A–18E/F on existing or projected operational deficiencies of the F/A–18C/D Hornet in the following key areas: strike range, carrier recovery payload and survivability. In addition, the Navy notes limitations of current Hornets with respect to avionics growth space and payload capacity.

The Navy and Boeing call these points the ''five pillars'' of the Super Hornet program. The most recent GAO report and my review of the program show that the five pillars are weak and crumbling.

GAO identifies problems with the Super Hornet in each of these five areas. Meanwhile, the Navy's responses to the criticisms are at odds with their own arguments in favor of the program. In the 1998 report, GAO identified problems that may diminish the effectiveness of the plane's survivability improvements, problems that could degrade engine performance and service life, and dangerous weapons separation problems that require additional testing.

In July, 1997, the Navy's Program Risk Advisory Board stated that ''operational testing may determine that the aircraft is not operationally effective or suitable.'' That December, the board reversed its position and said the E/F is potentially operationally effective and suitable, but also reiterated its concerns with certain systems that are supposed to make the Super Hornet superior to the Hornet.

These are not glowing reviews for any program, but are downright awful for an aircraft program slated to cost upwards of $100 billion. We should not gamble with our pilots' lives and more than 100 billion taxpayer dollars. These stakes are too high.

Also in the report, GAO asserted the Super Hornet doesn't accelerate or maneuver as well as the Hornet. DoD readily agrees, but maintains that this is an acceptable trade-off for other capabilities. I wonder if a pilot under fire would agree.

It gets better, Mr. President. The publication, Inside the Pentagon, reported last February that the Navy will not hold the Super Hornet to strict performance specifications in three areas. It published a copy of a memo written by Rear Admiral Dennis McGinn, the Navy's officer in charge of air warfare programs, that ordered the E/F would not be strictly held to performance specifications in turning, climbing and maneuvering.

Everyone can agree that these are important performance criteria for a state-of-the-art fighter and attack plane. It turns out that this memo was sent to the E/F test team after the team concluded that the Super Hornet was, in some cases, not as proficient in turning or accelerating as the Hornet. The test team concluded that the single-seat E, when outfitted with a relatively light load of air-to-air missiles, is ''slightly less'' capable than the single-seat C in terms of instantaneous turn performance, sustained turn performance, and in some cases, of unloaded acceleration. Interestingly enough, the C models used in the comparisons were not even the most advanced C's available. These deficiencies haven't improved since then.

GAO also said that the Navy board's program officials came to ''the realization that the F/A–18E/F may not be as capable in a number of operational performance areas as the most recently procured 'C' model aircraft that are equipped with an enhanced performance engine.''

Mr. President, the Navy's own test team has stated that the new plane does not perform as well as the reliable version currently in use in key performance areas. But this isn't enough. The Navy now says these performance criteria are not important. Mr. President, this is shameful.

In its 1996 report, GAO reached a number of conclusions. It found that the Super Hornet offers only marginal improvements over the Hornet, and that these are far outweighed by the high cost. It found that the Hornet can be modified to meet every capacity the Super Hornet is intended to fulfill. And GAO found that the Defense Department could save $17 billion by purchasing additional improved Hornets instead of Super Hornets. The Congressional Budget Office updated that cost savings last year to $15 billion, still a princely sum, especially given DoD's hopes of increasing defense spending by roughly that amount each year for the next six years.

The report also addressed other purported improvements of the Super Hornet over the Hornet. GAO concluded that the reported operational deficiencies of the C/D that the Navy cited to justify the E/F either have not materialized as projected or that such deficiencies can be corrected with nonstructural changes to the current C/D and additional upgrades made which would further improve its capabilities.

GAO even rebutted all of the claims of the Hornet's disadvantages. The report concluded that the Navy's F/A–18 strike range requirements can be met by either the E/F or the C/D, and that the E/F's increased range is achieved at the expense of its aerial combat performance. It notes that even with increased range, both aircraft will still require aerial refueling for low-altitude missions.

Additionally, as I mentioned earlier, the E/F's increased strike range is achieved at the expense of the aircraft's aerial combat performance. This is shown by its sustained turn rate, maneuvering, and acceleration—critical components of its ability to maneuver in either offensive or defensive modes.

GAO also disputes the Navy's contention that the C/D cannot carry 480 gallon external fuel tanks. Next, the deficiency in carrier recovery payload which the Navy anticipated for the F/A–18C simply has not materialized. GAO notes that while it is not necessary, upgrading F/A–18C's with stronger landing gear could allow them to recover carrier payloads of more than 10,000 pounds, greater than the 9,000 pounds sought for the F/A–18E/F.

Additional improvements have been made or are planned for the Hornet to enhance its survivability including improvements to reduce its radar detectability, while survivability improvements of the Super Hornet are questionable. For example, because the Super Hornet will be carrying weapons and fuel externally, the radar signature reduction improvements derived from the structural design of the aircraft will be diminished and will only help the aircraft penetrate slightly deeper than the Hornet into an integrated defensive system before being detected.

Mr. President, as we discuss survivability, we should recall the outstanding performance of the Hornet in the Gulf War a few years ago. By the Navy's own account, the C/D performed extraordinarily well, and, in the Navy's own words, experienced ''unprecedented survivability.''

The Navy predicted that by the mid-1990's the Hornet would not have growth space to accommodate additional new weapons and systems under development. Specifically, the Navy predicted that by fiscal year 1996, C/D's would only have 0.2 cubic feet of space available for future avionics growth; however, 5.3 cubic feet of available space have been identified for future system growth. Furthermore, technological advancements such as miniaturization, modularity and consolidation may result in additional growth space for future avionics.

Also, while the Super Hornet will provide some increase in air-to-air capability by carrying two extra missiles, it will not increase its ability to carry the heavier, precision-guided, air-to-ground weapons that are capable of hitting fixed and mobile hard targets nor to deliver heavier standoff weapons that will be used to increase aircraft survivability.

So we have a plane that doesn't really do the things the Navy said it would do, and in some cases does not perform as well as the older version, but we're supposed to pay probably three times more for the Super Hornet.

Mr. President, it's time we ended this fiasco once and for all. The program already costs tens of billions of dollars more than initial Navy estimates and costs continues to rise. Additionally, we must compare the estimated $73 million cost per plane for the Super Hornet to the $28 million per plane for the Hornet. And, as I have mentioned,

some projections put the total program cost of the F/A–18E/F at close to $100 billion.

Mr. President, let me briefly highlight the ballooning cost of the Super Hornet. Just a few years ago, the Navy, using overstated assumptions about the total number of planes procured and an estimated annual production rate of 72 aircraft per year, calculated a unit recurring flyaway cost of $44 million. However, using GAO's more realistic assumptions of the procurement of 660 aircraft by the Navy, at a production rate of 36 aircraft per year, the unit recurring flyaway cost of the Super Hornet ballooned to $53 million. Last year, the Navy used more realistic procurement figures of 548 aircraft with annual production at 36 aircraft per year, which brought the unit cost to $73 million. And I am fairly safe in assuming this figure will only rise. This is compared to the $28 million unit recurring flyaway cost for the Hornet. CBO estimates that this cost difference in unit recurring flyaway would result in a savings of almost $15 billion if the Navy were to procure the Hornets rather than the Super Hornets.

Mr. President, given the enormous cost and marginal improvement in operational capabilities the Super Hornet would provide, it seems that the justification for it just isn't there. Proceeding with the Super Hornet program may not be the most cost-effective approach to modernizing the Navy's tactical aircraft fleet. In the short term, the Navy can continue to procure the Hornet aircraft, while upgrading it to improve further its operational capabilities. For the long term, the Navy can look toward the next generation strike fighter, the JSF, which will provide more operational capability at far less cost than the Super Hornet.

Mr. President, by all accounts the F/A–18C/D is a top-quality aircraft that has served the Navy well over the last decade, and could be modified to meet every capacity the E/F is intended to fulfill over the course of the next decade at a substantially lower cost.

Therefore, considering the Department of Defense has clearly overextended itself in terms of supporting three major multirole fighter programs, it is clear that we must discontinue the Super Hornet program before the American taxpayer is asked to fund yet another unnecessary, flawed multi-billion dollar program.

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

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

S. 129

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

SECTION 1. TERMINATION OF THE F/A–18E/F AIRCRAFT PROGRAM.

(a) TERMINATION OF PROGRAM.—The Secretary of Defense shall terminate the F/A–18E/F aircraft program.

(b) PAYMENT OF TERMINATION COSTS.—Funds available for procurement and for research, development, test, and evaluation that are available on or after the date of the enactment of this Act for obligation for the F/A–18E/F aircraft program may be obligated for that program only for payment of the costs associated with the termination of the program.

By Ms. SNOWE:

S. 130. A bill to amend the Internal Revenue Code of 1986 to make the dependent care credit refundable, and for other purposes; to the Committee on Finance.

By Ms. SNOWE:

S. 131. A bill to amend the Internal Revenue Code of 1986 to allow a deduction from gross income for home care and adult day and respite care expenses of individual taxpayers with respect to a dependent of the taxpayer who suffers from Alzheimer's disease or related organic brain disorders; to the Committee on Finance.

LONG TERM CARE ASSISTANCE

Ms. SNOWE. Mr. President, long term care is an issue that continues to tug at Congress and this country. In 1995 the federal and state governments spent $23 billion on long term care and another $21 billion for home care. And it is estimated that those in need of long-term care will grow from 7.3 million today to 10–14 million by 2020—potentially a doubling of those in need.

The appropriate care for an individual should be an issue that is made by that individual and their loved ones. But we all know the truth is that in many cases it comes down to the financial realities of the family. For many people, remaining at home is their choice. It allows them to remain with their loved ones in familiar surroundings. We need to do more to assist these people and their families if this is their choice.

Toward that end I am reintroducing a bill that provides a tax credit for families caring for a relative who suffers from Alzheimer's disease. When I first came to Congress 20 years ago, not a single piece of legislation devoted to Alzheimer's disease had even been introduced. We have come along way since then, as today 'Alzheimer's' is a household word. It is also the most expensive uninsured illness in America. Alzheimer's will consume more of our national wealth-approximately $1.75 trillion—than all other illnesses except cancer and heart disease. And the number of those affected by this disease is rising and will continue to rise dramatically, from 4 million today to over 14 million by the middle of the 21st century.

As staggering as these numbers are, they pale in comparison to the emotional costs this disease places on the family. We can help lessen that cost by providing some relief to Alzheimer's patients and their families. My bill would allow families to deduct the cost of home care and adult day and respite care provided to a dependent suffering from Alzheimer's disease.

My second bill will strengthen the dependent care tax credit and restore Congress' original intent to provide the greatest benefit of the tax credit to low-income taxpayers. This bill expands the dependent care tax credit, makes it applicable for respite care expenses and makes it refundable.

As more and more women enter the workforce combined with the aging of our population, we are continuing to see an increased need for both child and elder care. Expenses incurred for this care can place a large burden on a family's finances. The cost of full time child care can range from $4,000 to $10,000. The cost of nursing home care is in excess of $40,000 a year. Managing these costs is difficult for many families, but is exceptionally burdensome for those in lower income brackets.

In 1976, the dependent care tax credit was created to help low- and moderate-income families alleviate the burden of employment-related dependent care. We haven't changed the DCTC since it was created 23 years ago and in fact, in the 1986 Tax Reform Act we indexed all the basic provisions of the tax code that determine tax liability except for DCTC. We need to make the credit relevant by updating it to reflect today's world. My legislation will do that by indexing the credit to inflation and making it refundable so that those who do not reach the tax thresholds will still receive assistance. It also raises the DCTC sliding scale from 30 to 50 percent of work-related dependent care expenditures for families earning $15,000 or less. The scale would then be reduced by 1 percentage point for each additional $1,000 of income, down to a credit of 20 percent for persons earning $45,000 or more.

In order to assist those who care for loved ones at home, the bill also expands the definition of dependent care to include respite care, thereby offering relief from this additional expense. A respite care credit would be allowed for up to $1,200 for one qualifying dependent care and $2,400 for two qualifying dependents.

I hope my colleagues will join me in supporting these two bills that will provide assistance to families that wish to provide long term care to their loved ones at home.

By Ms. SNOWE:

S. 132. A bill to amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women; to the Committee on Finance.

WOMEN'S PENSION PROTECTION ACT OF 1999

Ms. SNOWE. Mr. President, I rise to introduce legislation to improve the

retirement security of women. Even with the increasing number of women entering the workforce, only 39 percent of part-time and full-time working women are covered by a pension plan.

While women have come a long way, even now a woman makes only 75 cents for every dollar a man makes—and older women are payed even less: 66 cents for every dollar earned by a 55-year-old man. In addition, as we all know, women have spent more time outside the workforce because they have spent more time inside the household raising families. These two factors help explain why older women are twice as likely as older men to be poor or near poor; with nearly 40 percent of older women who live alone live in or near poverty.

This bill makes a number of changes in current pension law including: helping to ensure that pension benefits earned during a marriage are considered and divided fairly in the event of divorce; closing loopholes in the civil service and railroad retirement laws that have resulted in the loss of pension benefits for widows and ex-spouses of beneficiaries in such plans and increases the amount of information available by establishing a pension ''hotline'' at the Department of Labor.

By Mr. FEINGOLD (for himself and Mr. KOHL):

S. 134. A bill to direct the Secretary of the Interior to study whether the Apostle Islands National Lakeshore should be protected as a wilderness area; to the Committee on Energy and Natural Resources.

GAYLORD NELSON APOSTLE ISLANDS STEWARDSHIP ACT OF 1999

Mr. FEINGOLD. Mr. President, I rise today to introduce ''The Gaylord Nelson Apostle Islands Stewardship Act of 1999.'' I am pleased to have the senior Senator from Wisconsin (Mr. KOHL) join me as an original cosponsor of this legislation.

Many outside Wisconsin may not know that, in addition to founding Earth Day, Senator Nelson was also the primary sponsor of the Apostle Islands National Lakeshore Act. That act, which passed in 1970, protects one of Northern Wisconsin's most beautiful areas, at which I spend my vacation with my family every year.

Though Senator Nelson has received many awards, I know that among his proudest accomplishments are those bills he crafted which have produced real and lasting change in preserving America's lands, such as the Apostle Islands.

The Apostle Islands National Lakshore includes 21 forested islands and 12 miles of pristine shoreline which are among the Great Lakes' most spectacular scenery. Centuries of wave action, freezing, and thawing have sculpted the shorelines, and nature has carved intricate caves into the sandstone which forms the islands. Delicate arches, vaulted chambers, and hidden passageways honeycomb cliffs on the north shore of Devils Island, Swallow Point on Sand Island, and northeast of Cornucopia on the mainland. The Apostle Islands National Lakeshore includes more lighthouses than any other coastline of similar size in the United States, and is home to diverse wildlife including: black bear, bald eagles and deer. It is an important recreational area as well. Its campgrounds and acres of forest, make the Apostles a favorite destination for hikers, sailors, kayakers, and bikers. The Lakeshore also includes the underwater lakebed as well, and scuba divers register with the National Park Service to view the area's underwater resources.

Unfortunately, the Apostle Islands National Lakeshore finds itself, nearly 29 years later, with significant financial and legal resource needs, as do many of the lands managed by the National Park Service. If we are to be true stewards of America's public lands, we need to be willing to make necessary financial investments and management improvements when they are warranted. I introduce this legislation in an attempt to resolve the unfinished business that remains at the Lakeshore, as well as to renew our Nation's commitment to this beautiful place.

Mr. President, the legislation has three major sections. First, it authorizes the Park Service to conduct a wilderness suitability study of the Lakeshore as required by the Wilderness Act.

This study is needed to ensure that we have the appropriate level of management at the Apostle Islands National Lakeshore. The Wilderness Act and the National Park Service policies require the Park Service to conduct an evaluation of the lands it manages for possible inclusion in the National Wilderness system. The study would result in a recommendation to Congress about whether any of the federally-owned lands currently within the Lakeshore still retain the characteristics that would make them suitable to be legally designated as wilderness. If Congress found the study indicated that some of the federal lands within the Lakeshore were in need of legal wilderness status, Congress would have to subsequently pass legislation to confer such status.

We need this study, Mr. President, because 28 years have passed and it is time to determine the proper level of management for the Lakeshore. During the General Management Planning Process for the Lakeshore, which was completed nearly a decade ago in 1989, the need for a formal wilderness study was identified. Although a wilderness study has been identified as a high priority by the Lakeshore, it has never been funded.

Since 1989, most of the Lakeshore, roughly 80 percent of the acreage, is being managed by the Park Service as if it were federally designated wilderness. As a protective measure, all lands which might be suitable for wilderness designation were zoned to protect any wilderness characteristics they may have pending completion of the study. However, we may be managing lands as wilderness in the Lakeshore that might, due to use patterns, no longer be suitable for wilderness designation. Correspondingly, some land area may have become more ecologically sensitive and may need additional legal protection.

Second, this legislation also directs the Park Service to protect the historic Raspberry Island and Outer Island lighthouses. The bill authorizes $3.9 million for bluff stabilization and other necessary actions. There are six lighthouses in the Apostle Island National Lakeshore—Sand Island, Devil's Island, Raspberry Island, Outer Island, Long Island and Michigan Island. Engineering studies completed for the National Park Service have determined that several of these lighthouses are in danger of structural damage due to the continued erosion of the red clay banks upon which they were built. The situations at Outer Island and Raspberry Island, the two which this legislation addresses, were determined to be in the most jeopardy.

Last year, as part of the 1999 Interior Appropriations Bill, $215,000 was provided to the Apostle Island National Seashore for the rehabilitation of the historic lighthouses. While the funding was a commendable first step, it will allow only for preliminary engineering assessments of how to best protect these landmarks. We must go further to ensure that these precious and fragile beacons do not simply crumble into Lake Superior.

The Raspberry Island situation is most critical. The Raspberry Island lighthouse was completed in 1863 to make the west channel through the Apostle Islands. The original light was a rectangular frame structure topped by a square tower that held a lens 40 feet above the ground.

A fog signal building was added to Raspberry Island in 1902. The red brick structure housed a ten-inch steam whistle and a hoisting engine for a tramway. The need for additional personnel at the station led to a redesign of the lighthouse building in 1906–07. The structure was converted to a duplex, housing the keeper and his family in the east half, with the two assistant keepers sharing the west half. A 23-kilowatt, diesel-driven electric generator was installed at the station in 1928. The light was automated in 1947 and then moved to a metal tower in front of the fog signal building in 1952.

Raspberry Island light is now the most frequently visited of Apostle Islands National Lakeshore's lighthouses. Recent erosion is threatening the access tram and the fog signal building.

The Outer Island light station was built in 1874 on a red clay bluff 40 feet above Lake Superior. The lighthouse tower stands 90 feet high and the watchroom is encircled by an outside walkway and topped by the lantern. As its name implies, the light is stationed on the outermost island of the Apostle archipelago, fully exposed to Lake Superior's gale-force storms.

Historic architects have indicated to the Park Service that Outer Island lighthouse may already be suffering some structural damage due to its location on the bluff and the situation would be much worse if Lake Superior were exceedingly high.

Engineers believe that preservation of these structures requires protection of the bluff beneath the lighthouses, stabilization of the banks, and dewatering of the area immediately shoreward of the bluffs. Although the projects have in the past been included within the Park Service-wide construction priorities, they have never been funded. The specific authorization and funding contained in this legislation is essential if the projects are ever to receive the attention they so urgently deserve.

In keeping with my belief that progress toward a balanced budget should be maintained, I am proposing that the $4.1 million in authorized spending for the Apostle Islands contained in this legislation be offset by rescinding $10 million in unspent funds from $40 million in funds carried over for the Department of Energy's Clean Coal Technology Program in FY 99 Omnibus Appropriations Bill. The Secretary of the Interior would be required to transfer $5.9 million above the money that it needs to take actions at the Apostle Islands back to the Treasury.

Mr. President, I am concerned that we have set aside such a large amount of money for the Clean Coal Technology Program, which the program has been unable to spend, when we have acute appropriations needs at places like the Apostle Islands National Lakeshore.

Finally, this legislation adds language to the act which created the Lakeshore allowing the Park Service to enter into cooperative agreements with state, tribal, local governments, universities or other non-profit entities to enlist their assistance in managing the Lakeshore. Some parks have specific language in the act which created the park allowing them to enter into such agreements. Parks have used them for activities such as research, historic preservation, and emergency services. Apostle Islands currently does not have this authority, which this legislation adds.

Other National Park lands and lands which are managed by the Park Service, such as the Lakeshore, have such authority. Adding that authority to the Lakeshore will be a way to make Lakeshore management resources go farther. The Park Service has the opportunity to carry out joint projects with other partners which could contribute to the management of the Lakeshore including: state, local, and tribal governments, universities, and non-profit groups. Such endeavors would have both scientific management and fiscal benefits. In the past, the Lakeshore has had to forego these opportunities because the specific authority is absent under current law.

In his 1969 book on the environment, entitled America's Last Chance, Senator Nelson issued a political challenge:

> I have come to the conclusion that the number one domestic problem facing this country is the threatened destruction of our natural resources and the disaster which would confront mankind should such destruction occur. There is a real question as to whether the nation, which has spent some two hundred years developing an intricate system of local, State and Federal Government to deal with the public's problems, will be bold, imaginative and flexible enough to meet this supreme test.

Though the Apostle Islands are not, because of former Senator Nelson's efforts, ''threatened with destruction,'' they are a fitting place for us to rise to this challenge. I believe that Senator Nelson meant two things by his challenge. Not only did he mean that government must act immediately and decisively to protect resources in crisis, but he also meant that government must be responsible and flexible enough to remain committed to the protection of the areas we wisely seek to preserve under our laws.

Thus, Mr. President, I am proud to introduce this legislation as a renewal of the federal government's commitment to the Apostle Islands National Lakeshore. I look forward to working with my colleagues on this legislation, and I ask unanimous consent that a copy of this legislation be printed in the RECORD.

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

S. 134

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 ''Gaylord Nelson Apostle Islands Stewardship Act of 1999''.

SEC. 2. GAYLORD NELSON APOSTLE ISLANDS.

(a) DECLARATIONS.—Congress declares that—

(1) the Apostle Islands National Lakeshore is a national and a Wisconsin treasure;

(2) the State of Wisconsin is particularly indebted to former Senator Gaylord Nelson for his leadership in the creation of the Lakeshore;

(3) after more than 28 years of enjoyment, some issues critical to maintaining the overall ecological, recreational, and cultural vision of the Lakeshore need additional attention;

(4) the general management planning process for the Lakeshore has identified a need for a formal wilderness study;

(5) all land within the Lakeshore that might be suitable for designation as wilderness are zoned and managed to protect wilderness characteristics pending completion of such a study;

(6) several historic lighthouses within the Lakeshore are in danger of structural damage due to severe erosion;

(7) the Secretary of the Interior has been unable to take full advantage of cooperative agreements with Federal, State, local, and tribal governmental agencies, institutions of higher education, and other nonprofit organizations that could assist the National Park Service by contributing to the management of the Lakeshore;

(8) because of competing needs in other units of the National Park System, the standard authorizing and budgetary process has not resulted in updated legislative authority and necessary funding for improvements to the Lakeshore; and

(9) the need for improvements to the Lakeshore and completion of a wilderness study should be accorded a high priority among National Park Service activities.

(b) DEFINITIONS.—In this section:

(1) LAKESHORE.—The term ''Lakeshore'' means the Apostle Islands National Lakeshore.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the National Park Service.

(c) WILDERNESS STUDY.—In fulfillment of the responsibilities of the Secretary under the Wilderness Act (16 U.S.C. 1131 et seq.) and of applicable agency policy, the Secretary shall evaluate areas of land within the Lakeshore for inclusion in the National Wilderness System.

(d) APOSTLE ISLANDS LIGHTHOUSES.—The Secretary shall undertake appropriate action (including protection of the bluff toe beneath the lighthouses, stabilization of the bank face, and dewatering of the area immediately shoreward of the bluffs) to protect the lighthouse structures at Raspberry Lighthouse and Outer Island Lighthouse on the Lakeshore.

(e) COOPERATIVE AGREEMENTS.—Section 6 of Public Law 91–424 (16 U.S.C. 460w–5) is amended—

(1) by striking ''SEC. 6. The lakeshore'' and inserting the following:

''SEC. 6. MANAGEMENT.

''(a) IN GENERAL.—The lakeshore''; and

(2) by adding at the end the following:

''(b) COOPERATIVE AGREEMENTS.—The Secretary may enter into a cooperative agreement with a Federal, State, tribal, or local government agency or a nonprofit private entity if the Secretary determines that a cooperative agreement would be beneficial in carrying out section 7.''.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) $200,000 to carry out subsection (c); and

(2) $3,900,000 to carry out subsection (d).

(g) FUNDING.—

(1) IN GENERAL.—Of the funds made available under the heading ''CLEAN COAL TECHNOLOGY'' under the heading ''DEPARTMENT OF ENERGY'' for obligation in prior years, in addition to the funds deferred under the heading ''CLEAN COAL TECHNOLOGY'' under the

heading ''DEPARTMENT OF ENERGY'' under section 101(e) of division A of Public Law 105–277—

(A) $5,000,000 shall not be available until October 1, 2000; and

(B) $5,000,000 shall not be available until October 1, 2001.

(2) ONGOING PROJECTS.—Funds made available in previous appropriations Acts shall be available for any ongoing project regardless of the separate request for proposal under which the project was selected.

(3) TRANSFER OF FUNDS.—In addition to any amounts made available under subsection (f), amounts made available under paragraph (1) shall be transferred to the Secretary for use in carrying out subsections (c) and (d).

(4) UNEXPENDED BALANCE.—Any balance of funds transferred under paragraph (3) that remain unexpended at the end of fiscal year 1999 shall be returned to the Treasury.

By Mr. KENNEDY (for himself, Mr. DASCHLE, Mrs. MURRAY, Mr. LEVIN, Mr. WELLSTONE, Mrs. BOXER, Mr. KERRY, Ms. MIKULSKI, and Mr. BAUCUS):

S. 136, A bill to provide for teacher excellence and classroom help; to the Committee on Health, Education, Labor, and Pensions.

TEACHER EXCELLENCE ACT OF 1999

Mr. KENNEDY. Mr. President, states and local communities are making significant progress toward improving their public schools. Almost every state has developed challenging academic standards for all students to meet—and they are holding schools accountable for results.

But just setting standards isn't enough. Schools and communities have to do more to ensure improved student achievement. Schools must have small classes, particularly in the early grades. They must have strong parent involvement. They must have safe, modern facilities with up-to-date technology. They must have high-quality after-school opportunities for children who need extra help. They must have well-trained teachers in the classroom who keep up with current developments in their field and the best teaching practices.

Last year, with broad bipartisan support, Congress made substantial investments in the nation's public schools to reduce class size, expand after-school programs, and improve the initial training of teachers. However, more needs to be done.

Education must continue to be a top priority in the new Congress. We must do more to meet the needs of public schools, families, and children, so that all children have an opportunity to attend good schools. We need to do more to help communities modernize their schools, reduce class sizes, especially in grades 1–3, improve the quality of the nation's teachers, and expand after-school programs.

These steps are urgently needed to help communities address the serious problems of rising student enrollments, overcrowded classrooms, dilapidated schools, teacher shortages, underqualified teachers, high turnover rates of teachers, and lack of after-school programs. These are real problems that deserve real solutions.

The needs of families across the nation should not be ignored. They want the federal government to offer a helping hand in improving public schools.

This year, the nation has set a new record for elementary and secondary student enrollment. The figure has reached an all-time high of 53 million students—500,000 more students than last year.

Serious teacher shortages are being caused by rising student enrollments, and also by the growing number of teacher retirements. The nation's public schools will need to hire 2.2 million teachers over the next ten years, just to hold their own. If we don't act now, the need for more teachers will put even greater pressure on school districts to lower their standards and hire unqualified teachers.

Also, too many teachers leave within the first three years of teaching—including 30–50% of teachers in urban areas—because they don't get the support and mentoring they need to succeed. Veteran teachers and principals need more and better opportunities for professional development to enhance their knowledge and skills, to integrate technology into the curriculum, and to help children meet high standards.

We must fulfill last year's commitment to help communities hire 100,000 new teachers, in order to reduce class size. But it is equally important that we help communities recruit promising teacher candidates, provide new teachers with trained mentors who will help them succeed in the classroom, and give current teachers the on-going training they need to stay abreast of modern technologies and new research.

Many communities are working hard to attract, keep, and support good teachers—and often they're succeeding.

The North Carolina Teaching Fellows Program has recruited 3,600 high-ability high school graduates to go into teaching. The students agree to teach for four years in the state's public schools in exchange for a four-year college scholarship. North Carolina principals report that the performance of the Fellows far exceeds other new teachers.

In Chicago, a program called the Golden Apple Scholars of Illinois recruits promising young men and women into the profession by selecting them during their junior year of high school, then mentoring them through the rest of high school, college, and five years of actual teaching. 60 Golden Apple scholars enter the teaching field each year, and 90 percent of them stay in the classroom.

Colorado State University's Project Promise recruits prospective teachers from fields such as law, geology, chemistry, stock trading and medicine. Current teachers mentor graduates in their first two years of teaching. More than 90 percent of the recruits enter the field, and 80 percent stay for at least five years.

New York City's Mentor Teacher Internship Program has increased the retention of new teachers. In Montana, only 4 percent of new teachers in mentoring programs left after their first year of teaching, compared with 28 percent of teachers without mentoring programs.

New York City's District 2 has made professional development the central component for improving schools. They believe that student learning will increase as the knowledge of educators grows—and it's working. In 1996, student math scores were second in the city.

Massachusetts has invested $60 million in the Teacher Quality Endowment Fund to launch the 12-to-62 Plan for Strengthening Massachusetts Future Teaching Force. The plan being developed is a comprehensive effort to improve recruitment, retention, and professional development of teachers throughout their careers.

Congress should build on and support these successful efforts across the country to ensure that the nation's teaching force is strong and successful in the years ahead.

The Teacher Excellence Act we are introducing will invest $1.2 billion in fiscal year 2000 to improve the recruitment, retention, and on-going professional development of the nation's teachers. The proposal will provide states and local school districts with the support they need to recruit excellent teacher candidates, to retain and support promising beginning teachers, and to provide veteran teachers and principals with the on-going professional development they need to help all children meet high standards of achievement.

States will receive grants through the current Title I or Title II formula, whichever is greater. They will use 20 percent of the funding to provide scholarships to prospective teachers—whether they are high school graduates, professionals who want to make a career change, or paraprofessionals who want to become fully certified as teachers. Scholarship recipients must agree to teach for at least 3 years after completion of the teaching degree and teach in a high-need school district or in a high-need subject.

At least 70 percent of the funds must go to local school districts on a competitive basis to implement, improve or expand high-quality programs for beginning teachers, including mentoring and internship programs, and provide high-quality professional development for principals and veteran teachers. Our goal is to ensure that

every child has the opportunity to meet high state standards. States must also set additional eligibility criteria, including the poverty rate of the school district; the need for support based on low student achievement and low teacher retention rates; and the need for upgrading the knowledge and skills of veteran teachers in high-priority content areas. Other criteria include the need to help students with disabilities and limited English proficiency. States must target grants to school districts with the highest needs and ensure a fair distribution of grants among school districts serving urban and rural areas.

In addition to providing states and communities with the support they need to ensure that there is a qualified, well-trained teacher in every classroom, we must also hold states and communities accountable for results—and for making the changes that will achieve those results.

Currently, teachers are often assigned subjects in which they have no training or experience. Nearly one-fourth of all secondary school teachers do not have even a college minor in their main teaching field, let alone a college major. This fact is true for more than 50 percent of math teachers. 56 percent of high school students taking a physical science course are taught by out-of-field teachers, as are 27 percent of those taking mathematics, and 21 percent of those taking English. The proportions are much higher in high-poverty schools. In schools with the highest minority enrollments, students have less than a 50 percent chance of having science or math teachers who hold a license and a degree in the field they teach.

Because of teacher shortages caused by rising enrollments and teacher retirements, communities must often lower their standards and hire unqualified teachers. Currently, communities across the country have hired 50,000 unqualified teachers in order to address such shortages. More than 12 percent of newly hired teachers have no training and 15 percent of new teachers enter teaching without meeting state standards.

Under the Teacher Excellence Act, states and communities will be held accountable for reducing the number of emergency certified teachers and out-of-field placements of teachers. As they work to improve recruitment, retention, and professional development of teachers, states and communities should also reduce these practices that undermine efforts to help all students meet high standards. States will be able to use up to 10 percent of the funds in order to meet these accountability requirements.

In addition, the bill supports the full $300 million for funding of Title II of the Higher Education Act to improve the initial preparation of teachers. Also, current support for technology programs must include a requirement for training teachers in how to use technologies effectively to improve student learning.

We must do all we can to improve teacher quality across the country. What teachers know and are able to teach are among the most important influences on student achievement. Improving teacher quality is an effective way to link high state standards to the classroom. We should do all we can to ensure that every child has the opportunity to learn from a qualified, well-trained teacher and to attend a school with a well-trained principal.

By Mr. KYL:

S. 137. A bill to amend the Internal Revenue Code of 1986 to repeal the increase in tax on social security benefits; to the Committee on Finance.

THE SENIOR CITIZENS INCOME TAX RELIEF ACT OF 1999

Mr. KYL. Mr. President, I rise to introduce the Senior Citizens Income Tax Relief Act. This legislation would give seniors relief from the Clinton Social Security tax increase of 1993. I introduced this bill on August 5, 1993, the day this tax was first imposed on America's senior citizens.

Senator PETE DOMENICI, Chairman of the Senate Budget Committee, recently predicted that the federal government would generate a budget surplus of up to $700 billion over the next 10 years. He proposed that roughly $600 billion of this surplus be used to fund a tax cut. I could not agree more. I will be working with Senator DOMENICI and members of the Senate on both sides of the aisle to ensure that there will be sufficient room in this surplus for Social Security tax relief for senior citizens.

Millions of America's senior citizens depend on Social Security as a critical part of their retirement income. Having paid into the program throughout their working lives, retirees count on the government to meet its obligations under the Social Security contract. For many, the security provided by this supplemental pension plan is the difference between a happy and healthy retirement and one marked by uncertainty and apprehension, particularly for the vast majority of seniors on fixed incomes.

As part of his massive 1993 tax hike, President Clinton imposed a tax increase on senior citizens, subjecting to taxation up to 85 percent of the Social Security received by seniors with annual incomes of over $34,000 and couples with over $44,000 in annual income.

This represents a 70 percent increase in the marginal tax rate for these seniors. Factor in the government's ''Social Security Earnings Limitation,'' and a senior's marginal tax rate can reach 88 percent—twice the rate paid by millionaires.

An analysis of government-provided figures on the 1993 Social Security tax increase finds that, at the end of 1998, America's seniors have paid an extra $25 billion because of this tax hike, including $380 million from senior citizens in Arizona alone.

Mr. President, I want to make an additional important point. Despite all the partisan demagoguery, the only attack on Social Security in recent years has come from the administration and the other party in the Omnibus Budget Reconciliation Act of 1993. Not one Republican supported this tax increase on Social Security benefits.

If the administration opposes any meaningful tax cut, the relief we will be able to provide will be limited. It will be difficult, then, to repeal the Social Security tax increase. This is why, in the 105th Congress, I offered an amendment to ensure that we are able to expand tax relief in the future, and why the first tax relief proposal I am introducing in the 106th Congress will repeal President Clinton's 1993 Social Security tax increase.

By Mr. KYL:

S. 138. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses of attending elementary and secondary schools and for contributions to charitable organizations which provide scholarships for children to attend such schools; to the Committee on Finance.

J–12 COMMUNITY PARTICIPATION ACT OF 1999

Mr. KYL. Mr. President, I rise to introduce an education proposal that will increase parental and student choice, educational quality, and school safety.

A colleague from the Arizona delegation, representative MATT SALMON, is today introducing this proposal in the House of Representatives.

The ''K through 12 Community Participation Act'' would offer tax credits to families and businesses of up to $250 annually for qualified K through 12 education expenses or activities.

Over the last 30 years, Americans have steadily increased their monetary commitment to education. Unfortunately, we have not seen a corresponding improvement in the quality of the education our children receive. Given our financial commitment, and the great importance of education, these results are unacceptable.

Mr. President, I believe the problem is not how much money is spent, but how it is spent, and by whom.

The K through 12 Community Participation Education Act addresses the problem of falling education standards by giving families and businesses a tax incentive to provide children with a higher quality education through choice and competition.

The problem of declining education standards is illustrated by a 1998 report

released by the Education and Workforce Committee of the House of Representatives, Education at the Crossroads. This is the most comprehensive review of federal education programs ever undertaken by the United States Congress. It shows that the federal government's response to the decline in American schools has been to build bigger bureaucracies, not a better education system.

According to the report, there are more than 760 federal education programs overseen by at least 39 federal agencies at a cost of $100 billion a year to taxpayers. These programs are overlapping and duplicative.

For example, there are 63 separate (but similar) math and science programs, 14 literacy programs, and 11 drug-education programs. Even after accounting for recent streamlining efforts, the U.S. Department of Education still requires over 48.6 million hours worth of paperwork per year—this is the equivalent of 25,000 employees working full time.

States get at most seven percent of their total education funds from the federal government, but most states report that roughly half of their paperwork is imposed by federal education authorities.

The federal government spends tax dollars on closed captioning of ''educational'' programs such as ''Baywatch'' and Jerry Springer's squalid daytime talk show.

With such a large number of programs funded by the federal government, it's no wonder local school authorities feel the heavy hand of Washington upon them.

And what are the nation's taxpayers getting for their money? According to the report,

Around 40 percent of fourth graders cannot read; and 57 percent of urban students score below their grade level.

Half of all students from urban school districts fail to graduate on time, if at all.

U.S. 12th graders ranked third from the bottom out of 21 nations in mathematics.

According to U.S. manufacturers, 40 percent of all 17-year-olds do not have the math skills to hold down a production job at a manufacturing company.

The conclusion of the Education at the Crossroads report is that the federally designed ''one-size-fits-all'' approach to education is simply not working.

Mr. President, I believe we need a federal education policy that will:

Give parents more control.

Give local schools and school boards more control.

Spend dollars in the classrooms, not on a Washington bureaucracy.

Reaffirm our commitment to basic academics.

My state of Arizona has led the way with education tax credit legislation passed in 1997. This state law provides tax credits that can be used by parents and businesses to cover certain types of expenses attendant to primary and secondary education.

Mr. President, today, Representative SALMON and I are reintroducing a form of the Arizona education tax-credit law.

The K through 12 Community Participating Education Act would be phased in over four years and would encourage parents, businesses, and other members of the community to invest in our children's education.

Specifically, it offers every family or business a tax credit of up to $250 annually for any K through 12 education expense or activity. This tax credit could be applied to home schooling, public schools (including charter schools), or parochial schools. Allowable expenses would include tuition, books, supplies, and tutors.

Further, the tax credit could be given to a ''school-tuition organization'' for distribution. To qualify as a school-tuition organization, the organization would have to devote at least 90 percent of its income per year to offering available grants and scholarships for parents to use to send their children to the school of their choice.

How would this work? A group of businesses in any community could join forces to send sums for which they received tax credits to charitable ''school-tuition organizations'' which would make scholarships and grants available to low income parents of children currently struggling to learn in unsafe, non-functional schools.

Providing all parents—including low income parents—increased freedom to choose will foster competition and increase parental involvement in education.

Insuring this choice will make the federal education tax code more like Arizona's. It is a limited but important step the Congress and the President can—and I believe, must—take.

Mr. President, it's clear that top-down, one-size-fits-all, big government education policy has failed our children and our country.

This tax-credit legislation will refocus our efforts on doing what is in the best interests of the child as determined by parents, and will give parents and businesses the opportunity to take an important step to rescue American education so that we can have the educated citizenry that Thomas Jefferson said was essential to our health as a nation.

By Mr. ROBB (for himself and Mr. HOLLINGS):

S. 139. A bill to grant the power to the President to reduce budget authority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

SEPARATE ENROLLMENT AND LINE ITEM VETO ACT OF 1999

Mr. ROBB. Mr. President, I rise to introduce the Separate Enrollment and Line Item Veto Act of 1999. I'm pleased to be joined by my long-time colleague and tireless fighter for budget sanity, Senator HOLLINGS of South Carolina.

As former governors, we both understand the importance of line-item veto authority in prioritizing spending. The legislation we introduce today is similar to that passed by the Senate in 1995, which is patterned on the separate enrollment process that we both supported with former Senator Bill Bradley of New Jersey.

I have been a long-time supporter of various line-item veto measures because I believe that only the President has the singular ability to reconcile spending priorities in the best interest of the nation. Recognizing that Congress has been unable or unwilling to seriously address our problems with special interest tax provisions and spending for members' pet projects, as last year's appropriations process attests, some form of additional veto authority should be given to the President. Otherwise, the President continues to have to approve items in bills which he doesn't support to approve those that he does.

As my colleagues know, the Separate Enrollment Line Item Veto legislation we passed in 1995 in the Senate was ultimately changed in conference negotiations with the House of Representatives. The end product of those negotiations was an enhanced rescission line item veto process, giving the President the ability to strike items from bills after signing them into law. Because that approach was struck down by the Supreme Court, I believe the line item veto is an important enough fiscal tool that we ought to put forward other alternatives.

The separate enrollment process contained in this bill presents few constitutional concerns. This process doesn't give the President the ability to strike items from bills he otherwise approves. This approach breaks down bills into their individual parts that are then passed again as separate bills, making sure each provision can then stand on its own merits.

In closing, let me acknowledge that this line item veto legislation, like the previous experiment, won't solve all the nation's fiscal problems, but that it is a needed step if we are interested in pursuing good public and budget policy.

Mr. HOLLINGS. Mr. President, I rise today along with Senator ROBB to introduce the Separate Enrollment and Line Item Veto Act of 1999. This Congress, I hope the Senate will finally dispense with political gamesmanship

and enact a true line item veto. It is past time to restore responsibility to federal spending by granting the President the power to strike wasteful and unnecessary items from our budget.

The bill we are introducing today is a ''separate enrollment'' line item veto. It provides that each spending or tax provision be enrolled as a separate bill, allowing the President to either sign or veto each of these smaller bills in accordance with the veto power expressly granted under Article I, Section 7 of the Constitution. This legislation is designed to allow the President to strike spending or tax items from the budget without violating the delicate separation of powers which exists under our Constitution. In contrast, the so-called ''enhanced rescission'' line item veto—enacted in 1996 and struck down by the Supreme Court on June 25, 1998—represented a shift in the separation of powers. Under that approach, the President had the authority to sign a bill into law, then strike individual provisions and require a Congressional supermajority to override these rescissions. In doing so, the President was clearly performing a legislative function granted exclusively to Congress by the Constitution.

When the Supreme Court announced its decision striking down the 1996 line item veto, the White House and many in Congress clamored in the media about how disappointed they were. The truth is that no one was really surprised. In fact, many Senators—including myself—made statements in 1996 and voted against the bill because it was unconstitutional. The events surrounding the enactment of the 1996 law clearly show that politics was placed before policy. In 1995 our separate enrollment approach had received bipartisan support in the Senate, with 69 Senators voting for the measure. The ''enhanced rescission'' approach, on the other hand, received only 45 votes when considered in 1993, with several Senators raising constitutional objections during the debate. However, in an apparent attempt to put off meaningful reform in favor of Presidential politics, the ''enhanced rescission'' bill was resurrected in 1996 in an effort to score political points. Now, we have come full circle after the Court's decision. It is time to get serious and enact the same bill which received 69 votes in 1995.

Mr. President, I am no stranger to this issue. As Governor of South Carolina, I saw first hand how effective the line item veto can be. I used it to cut millions of dollars in wasteful spending from the state budget, and in the process helped earn South Carolina the first AAA credit rating in the state's history. The Governors of 43 states now possess line item veto authority. I have been trying for years to bring this same approach to Washington. I have introduced or co-sponsored a separate enrollment line-item veto in every Congress since 1985. In that year, I cosponsored Senator Mack Mattingly's separate enrollment bill, which received 58 votes in the Senate. In 1990, I offered a similar bill in the Senate Budget Committee, which passed the line item veto for the first time in history by a bipartisan vote of 13–6. In 1993, after Senator Bradley came on board, we were again able to get a majority of 53 votes. Then, in 1995, support for the bill reached an all-time high when the bill finally passed the Senate with 69 votes.

One needs to look no further than last year's end of the session debacle to see the need for the line item veto. Nearly an entire year's worth of legislation—including eight of the thirteen normal appropriations bills, an emergency spending bill, and a tax ''extenders'' bill—was wrapped into a monstrosity entitled the Omnibus Consolidated and Emergency Supplemental Appropriations Bill for Fiscal Year 1999. The time period between the drafting of the bill and its enactment was so short that Senators made statements on the floor that they did not even know the contents of the bill. Unfortunately, this type of omnibus appropriations has become common in recent years, and it prevents an obvious opportunity for abuse. Wasteful spending and tax items are included in these huge, hastily drafted bills, and the President is faced with a ''take it or leave it'' proposition. With the session winding down, he often is forced to ''take it,'' including items which are totally without merit. The line item veto would prevent this type of waste and irresponsibility by allowing each item to be considered separately.

I urge my colleagues to support this line item veto bill with the same bipartisan support it received in 1995 so that we may finally restore responsibility to our federal budget process.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 140. A bill to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

THOMAS COLE NATIONAL HISTORIC SITE DESIGNATION ACT

Mr. MOYNIHAN. Mr. President, I rise to introduce a bill which would place the home and studio of Thomas Cole under the care of the Greene County Historical Society as a National Historic Site. I am pleased Senator SCHUMER has agreed to cosponsor this bill. Thomas Cole founded the American artistic tradition known as the Hudson River School. He painted landscapes of the American wilderness as it never had been depicted, untamed and majestic, the way Americans saw it in the 1830s and 1840s as they moved west. His students and followers included Frederick Church, Alfred Bierstadt, Thomas Moran, and John Frederick Kennesett.

No description of Cole's works would do them justice, but let me say that their moody, dramatic style and subject matter were in sharp contrast to the pastoral European landscapes that Americans previously had admired. The new country was just settled enough that some people had time and resources to devote to collecting art. Cole's new style coincided with this growing interest, to the benefit of both.

Cole had begun his painting career in Manhattan, but one day took a steamboat up the Hudson for inspiration. It worked. The landscapes he saw set him on the artistic course that became his life's work. He eventually moved to a house up the river in Catskill. First he boarded; then he bought the house. He married and raised his family there. That house, known as Cedar Grove, remained in the Cole family until 1979, when it was put up for sale.

The Cole house would be only the second site under the umbrella of the Park Service dedicated to interpreting the life and work of an American painter.

Olana, Church's home, sits immediately across the Hudson, so we have the opportunity to provide visitors with two nearby destinations that show the inspiration for two of America's foremost nineteenth century painters. Visitors could walk, hike, or drive to the actual spots where masterpieces were painted and see the landscape much as it was then.

I regret that none of Thomas Cole's work hang in the Capitol, although two works by Bierstadt can be found in the stairwell outside the Speaker's Lobby. Perhaps Cole's greatest work is the four-part Voyage of Life, an allegorical series that depicts man in the four stages of life. It can be found in the National Gallery, along with two other Cole paintings. Another work of Cole's that we would be advised to remember is The Course of Empire, which depicts the rise of a great civilization from the wilderness, and its return.

Several years ago the first major Cole exhibition in decades was held at the National Museum of American Art. The exhibition was all the evidence needed of Cole's importance and the merit of adding his home to the list of National Historic Sites. I should add that this must happen soon. The house needs work, and will not endure many more winters in its present state.

This legislation would authorize cooperative agreements under which the management of the Cole House would go to the Greene County Historical Society, which is entirely qualified for the job. The Society could enter into cooperative agreements with the National Park Service for the preservation and interpretation of the site.

I ask unanimous consent that my colleagues support this legislation, and

that the text of the bill be printed in the RECORD.

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

S. 140

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 ''Thomas Cole National Historic Site Designation Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Hudson River school of landscape painting was inspired by Thomas Cole and was characterized by a group of 19th century landscape artists who recorded and celebrated the landscape and wilderness of the United States, particularly in the Hudson River Valley region in the State of New York;

(2) Thomas Cole is recognized as the United States's most prominent landscape and allegorical painter of the mid-19th century;

(3) located in Greene County, New York, the Thomas Cole House, also known as Thomas Cole's Cedar Grove, is listed on the National Register of Historic Places and has been designated as a National Historic Landmark;

(4) within a 15-mile radius of the Thomas Cole House, an area that forms a key part of the rich cultural and natural heritage of the Hudson River Valley region, significant landscapes and scenes painted by Thomas Cole and other Hudson River artists, such as Frederic Church, survive intact;

(5) the State of New York has established the Hudson River Valley Greenway to promote the preservation, public use, and enjoyment of the natural and cultural resources of the Hudson River Valley region; and

(6) establishment of the Thomas Cole National Historic Site will provide—

(A) opportunities for the illustration and interpretation of cultural themes of the heritage of the United States; and

(B) unique opportunities for education, public use, and enjoyment.

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

(1) to preserve and interpret the Thomas Cole House and studio for the benefit, inspiration, and education of the people of the United States;

(2) to help maintain the integrity of the setting in the Hudson River Valley region that inspired artistic expression;

(3) to coordinate the interpretive, preservation, and recreational efforts of Federal, State, and other entities in the Hudson Valley region in order to enhance opportunities for education, public use, and enjoyment; and

(4) to broaden understanding of the Hudson River Valley region and its role in the history and culture of the United States.

SEC. 3. DEFINITIONS.

In this Act:

(1) HISTORIC SITE.—The term ''historic site'' means the Thomas Cole National Historic Site established by section 4.

(2) HUDSON RIVER ARTIST.—The term ''Hudson River artist'' means an artist associated with the Hudson River school of landscape painting.

(3) PLAN.—The term ''plan'' means the general management plan developed under section 6(d).

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

(5) SOCIETY.—The term ''Society'' means the Greene County Historical Society of Greene County, New York, that owns the Thomas Cole House, studio, and other property comprising the historic site.

SEC. 4. ESTABLISHMENT OF THOMAS COLE NATIONAL HISTORIC SITE.

(a) ESTABLISHMENT.—There is established, as an affiliated area of the National Park System, the Thomas Cole National Historic Site in the State of New York.

(b) DESCRIPTION.—The historic site shall consist of the Thomas Cole House and studio, comprising approximately 3.4 acres, located at 218 Spring Street in the village of Catskill, New York, as generally depicted on the boundary map numbered TCH/80002, and dated March 1992.

SEC. 5. RETENTION OF OWNERSHIP AND MANAGEMENT OF HISTORIC SITE BY GREENE COUNTY HISTORICAL SOCIETY.

Under a cooperative agreement entered into under section 6(b)(1), the Greene County Historical Society of Greene County, New York, shall own, manage, and operate the historic site.

SEC. 6. ADMINISTRATION OF HISTORIC SITE.

(a) APPLICABILITY OF NATIONAL PARK SYSTEM LAWS.—Under a cooperative agreement entered into under subsection (b)(1), the historic site shall be administered by the Society in a manner consistent with this Act and all laws generally applicable to units of the National Park System, including—

(1) the Act entitled ''An Act to establish a National Park Service, and for other purposes'', approved August 25, 1916 (16 U.S.C. 1 et seq.); and

(2) the Act entitled ''An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes'', approved August 21, 1935 (16 U.S.C. 461 et seq.).

(b) COOPERATIVE AGREEMENTS.—

(1) ASSISTANCE TO SOCIETY.—The Secretary may enter into cooperative agreements with the Society—

(A) to preserve the Thomas Cole House and other structures in the historic site; and

(B) to assist with education programs and research and interpretation of the Thomas Cole House and associated landscapes in the historic site.

(2) OTHER ASSISTANCE.—The Secretary may enter into cooperative agreements with the State of New York, the Society, the Thomas Cole Foundation, and other public and private entities to—

(A) further the purposes of this Act; and

(B) develop, present, and fund art exhibits, resident artist programs, and other appropriate activities related to the preservation, interpretation, and use of the historic site.

(c) ARTIFACTS AND PROPERTY.—

(1) PERSONAL PROPERTY GENERALLY.—The Secretary may acquire personal property associated with, and appropriate for, the interpretation of the historic site.

(2) WORKS OF ART.—The Secretary may acquire works of art associated with Thomas Cole and other Hudson River artists for the purpose of display at the historic site.

(d) GENERAL MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than September 30, 2000, under a cooperative agreement entered into under section 6(b)(1), the Society, with the assistance of the Secretary, shall develop a general management plan for the historic site.

(2) CONTENTS OF PLAN.—The plan shall include recommendations for regional wayside exhibits, to be carried out through cooperative agreements with the State of New York and other public and private entities.

(3) AUTHORITY.—The plan shall be prepared in accordance with section 12(b) of Public Law 91–383 (16 U.S.C. 1a–7(b)).

(4) SUBMISSION OF PLAN.—On the completion of the plan, the Secretary shall provide a copy of the plan to—

(A) the Committee on Energy and Natural Resources of the Senate; and

(B) the Committee on Resources of the House of Representatives.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

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

By Mr. MOYNIHAN:

S. 141. A bill to amend section 845 of title 18, United States Code, relating to explosive materials; to the Committee on the Judiciary.

LEGISLATION RELATING TO EXPLOSIVE MATERIAL

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill which restricts those who can have access to black powder, the primary ingredient in pipe bombs. At present, there are no restrictions on those who wish to buy commercially manufactured black powder in quantities not to exceed 50 pounds solely for sporting or recreational purposes. Anyone, including a convicted felon, a fugitive from justice, and a person adjudicated to be mentally defective, can buy commercially manufactured black powder in the above amounts with no questions asked. This is both wrong and dangerous. The same restrictions that apply to who can buy explosives should also apply to those who can lawfully buy commercially manufactured black powder.

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

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

S. 141

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

SECTION 1. EXPLOSIVE MATERIALS.

Section 845(a) of title 18, United States Code, is amended—

(1) in paragraph (4), by adding ''and'' at the end; and

(2) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5).

By Mr. MOYNIHAN:

S. 142. A bill to amend section 842 of title 18, United States Code, relating to explosive materials transfers; to the Committee on the Judiciary.

LEGISLATION TO REQUIRE THAT THE FEDERAL GOVERNMENT BE NOTIFIED WHEN EXPLOSIVES ARE PURCHASED

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill that would require vendors of explosives to notify the Federal Bureau of Alcohol, Tobacco, and Firearms (B.A.T.F.) when they sell such items. Now, there is no requirement that a seller notify the B.A.T.F. when a customer buys explosives. All that is required is that the

buyer complete a federally generated form—5400.4—and that the seller keep it. There is nothing that requires the seller to send a copy of this form to the B.A.T.F.

In all likelihood, any terrorist attach aimed at this country's infrastructure will use explosives to achieve its purpose. One key way to prevent an attack such as this is to have information about the individuals who are buying these items.

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

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

S. 142

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

SECTION 1. RECORDKEEPING REQUIREMENTS FOR EXPLOSIVE MATERIALS TRANSFERS.

Section 842(f) of title 18, United States Code, is amended, in the first sentence—

(1) by striking ''require,'' and inserting ''require (''; and

(2) by inserting before the period at the end the following: '') and transmitting a copy of each such record to the Secretary''.

By Mr. MOYNIHAN:

S. 143. A bill to amend the Professional Boxing Safety Act of 1996 to standardize the physical examinations that each boxer must take prior to each professional boxing match and to require a brain CAT scan every 2 years as a requirement for the licensing of a boxer; to the Committee on Commerce, Science, and Transportation.

THE PROFESSIONAL BOXING SAFETY ACT AMENDMENTS OF 1996

Mr. MOYNIHAN. Mr. President, On January 3, 1999, Jerry Quarry, a perennial heavyweight boxing champion contender in the 1960's and 1970's, died of pneumonia brought on by an advanced state of dementia pugilistica. He was 53. The list goes on: Sugar Ray Robinson, Archie Moore and Muhammad Ali are but a few examples. The Professional Boxing Safety Act of 1996 was an excellent step toward making professional boxing safer for its participants. Nevertheless, it contains several gaps.

The two amendments I propose here today are aimed at protecting professional fighters by requiring more rigorous prefight physical examinations and by requiring a brain catscan before a boxer can renew his or her professional license.

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

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

S. 143

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 ''Professional Boxing Safety Act Amendments of 1999''.

SEC. 2. AMENDMENTS TO THE PROFESSIONAL BOXING SAFETY ACT OF 1996.

(a) STANDARDIZED PHYSICAL EXAMINATIONS.—Section 5(1) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6304(1)) is amended by inserting after ''examination'' the following: '', based on guidelines endorsed by the American Medical Association, including a circulo-respiratory check and a neurological examination,''.

(b) CAT SCANS.—Section 6(b)(2) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6305(b)(2)) is amended by inserting before the period the following: ''and, with respect to such renewal, present proof from a physician that such boxer has taken a computerized axial tomography (CAT) scan within the 30-day period preceding that date on which the renewal application is submitted and that no brain damage from boxing has been detected''.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 144. A bill to require the Secretary of the Interior to review the suitability for inclusion in the National Wilderness Preservation System of the Everglades expansion area; to the Committee on Energy and Natural Resources.

REVIEW OF EVERGLADES EXPANSION AREA FOR POTENTIAL AS WILDERNESS

Mr. GRAHAM. Mr. President, since my days as Governor of the State of Florida, I have been a strong advocate of the protection and restoration of the Florida Everglades, the largest wetland and subtropical wilderness in the United States. This legislation will require the Secretary of the Interior to review the suitability for inclusion in the National Wilderness Preservation System of the Everglades expansion area, a designation that will protect and preserve this area for the use of present and future generations. This action will be an important step towards maintaining the natural habitat of such endangered species as the Florida panther, the snail kite, and the cape sable seaside sparrow, as well as sustaining uninterupted water flow to the Everglades' aquifers, the main water source for the majority of the rapidly growing state of Florida. Over the last 100 years, this ecosystem has been altered by man to provide for development, to manage water for irrigation, and to provide flood control in times of hurricanes. The review of this land for potential as wilderness may lead to greater future protection of the Everglades ecosystem.

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

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

S. 144

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

SECTION 1. REVIEW OF EVERGLADES EXPANSION AREA FOR POTENTIAL AS WILDERNESS.

(a) DEFINITION OF ADDITION.—In this section, the term ''addition'' has the meaning given the term in section 101(c) of the Everglades National Park Protection and Expansion Act of 1989 (16 U.S.C. 410r–5(c)).

(b) REVIEW AND REPORT.—Subject to subsection (c), in accordance with section 3 of the Wilderness Act (16 U.S.C. 1132), the Secretary of the Interior shall review and report on the suitability for inclusion in the National Wilderness Preservation System of any part of the addition.

(c) EFFECTIVE DATE.—Subsection (b) shall take effect—

(1) on the date of submission to Congress of the proposed comprehensive plan to restore, preserve, and protect the South Florida ecosystem required by section 528(b) of the Water Resources Development Act of 1996 (110 Stat. 3767); but

(2) only if the plan does not specify that construction and water storage are required in the addition (as determined by the Secretary of the Interior).

By Mr. ABRAHAM:

S. 145. A bill to control crime by requiring mandatory victim restitution; to the Committee on the Judiciary.

VICTIM RESTITUTION ENFORCEMENT ACT

Mr. ABRAHAM. Mr. President, I rise today to introduce the Victim Restitution Enforcement Act of 1999. I have long supported restitution for crime victims, and have long been convinced that justice requires us to devise effective mechanisms through which victims can enforce restitution orders and make criminals pay for their crimes.

I was very pleased when we enacted mandatory victim restitution legislation in the 104th Congress as part of the Antiterrorism and Effective Death Penalty Act of 1996. I supported that legislation and very much appreciated the efforts of my colleagues, particularly Senators HATCH, BIDEN, NICKLES, GRASSLEY, and MCCAIN, to ensure that victim restitution provisions were included in the antiterrorism legislation.

Those victim restitution provisions—brought together as the Mandatory Victims Restitution Act of 1996—will significantly advance the cause of justice for victims in federal criminal cases. The Act requires federal courts, when sentencing criminal defendants, to order these defendants to pay restitution to the victims of their crimes. It also establishes a single set of procedures for the issuance of restitution orders in federal criminal cases to provide uniformity in the federal system. Inclusion of mandatory victim restitution provisions in the federal criminal code was long overdue, and I am pleased that the 104th Congress was able to accomplish that.

However, much more remains to be done to ensure that victims can actually collect those restitution payments and to provide victims with effective means to pursue whatever restitution payments are owed to them. Even if a defendant may not have the resources

to pay off a restitution order fully, victims should still be entitled to go after whatever resources a defendant does have and to collect whatever they can. We should not effectively tell victims that it is not worth going after whatever payments they might get. That is what could happen under the current system, in which victims have to rely on government attorneys—who may be busy with many other matters—to pursue restitution payments. Instead, we should give victims themselves the tools they need so that they can get what is rightfully theirs.

The victim restitution provisions enacted in the 104th Congress consolidated the procedures for the collection of unpaid restitution with existing procedures for the collection of unpaid fines. Unless more steps are taken to make enforcement of restitution orders more effective for victims, we risk allowing mandatory restitution to be mandatory in name only, with criminals able to evade ever paying their restitution and victims left without the ability to take action to enforce restitution orders.

In the 104th Congress, I introduced the Victim Restitution Enforcement Act of 1995. Many components of my legislation were also included in the victim restitution legislation enacted as part of the Antiterrorism and Effective Death Penalty Act. The legislation I introduce today is similar to the legislation I introduced in the 104th Congress as Senate Bill S. 1504 and again in the 105th Congress as S. 812, and is designed to build on what are now current provisions of law. All in all, I hope to ensure that restitution payments from criminals to victims become a reality, and that victims have a greater degree of control in going after criminals to obtain restitution payments.

Under my legislation, restitution orders would be enforceable as a civil debt, payable immediately. Most restitution is now collected entirely through the criminal justice system. It is frequently paid as directed by the probation officer, which means restitution payments cannot begin until the prisoner is released. This bill makes restitution orders payable immediately, as a civil debt, speeding recovery and impeding attempts by criminals to avoid repayment. This provision will not impose criminal penalties on those unable to pay, but will simply allow civil collection against those who have assets.

This will provide victims with new means of collecting restitution payments. If the debt is payable immediately, all normal civil collection procedures, including the Federal Debt Collection Act, can be used to collect the debt. The bill explicitly gives victims access to other civil procedures already in place for the collection of debts. This lightens the burden of collecting debt on our Federal courts and prosecutors.

My bill further provides that Federal courts will continue to have jurisdiction over criminal restitution judgments for five years, not including time that the defendant is incarcerated. The court is presently permitted to resentence or take several other actions against a criminal who willfully refuses to make restitution payments; the court may do so until the termination of the term of parole. Courts should have the ability to do more over a longer period of time, and to select those means that are more likely to prove successful. Under my bill, during the extended period, Federal courts will be permitted, where the defendant knowingly fails to make restitution payments, to modify the terms or conditions of a defendant's parole, extend the defendant's probation or supervised release, hold the defendant in contempt, increase the defendant's original sentence, or revoke probation or supervised release.

My legislation will also give the courts power to impose pre-sentence restraints on defendants' uses of their assets in appropriate cases. This will prevent well-heeled defendants from dissipating assets prior to sentencing. Without such provisions, mandatory victim restitution provisions may well be useless in many cases. Even in those rare cases in which a defendant has the means to pay full restitution at once, if the court has no capacity to prevent the defendant from spending ill-gotten gains or other assets prior to the sentencing phase, there may be nothing left for the victim by the time the restitution order is entered.

The provisions permitting pre-sentence restraints are similar to other provisions that already exist in the law for private civil actions and asset forfeiture cases, and they provide adequate protections for defendants. They require a court hearing, for example, and place the burden on the government to show by a preponderance of the evidence that pre-sentence restraints are warranted.

In short, I want to make criminals pay and to give victims the tools with which to make them pay. In enacting mandatory victim restitution legislation in the 104th Congress, we demonstrated our willingness to make some crimes subject to this process. I believe we must take additional steps to make those mandatorily issued orders easily enforceable.

This legislation is supported by the National Victim Center and by the Michigan Coalition Against Domestic and Sexual Violence. I ask unanimous consent to have placed in the RECORD letters of support from those victims' rights organizations.

I urge my colleagues to support my legislation, which will empower victims to collect on the debts that they are owed by criminals and which will improve the enforceability of restitution orders.

I also ask unanimous consent that a summary of the bill be placed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section provides that the act may be cited as the ''Victim Restitution Enforcement Act of 1999.''

Section 2. Procedures for Issuance and Enforcement of Restitution Order.

This section amends the Federal criminal code to revise procedures for the issuance and enforcement of restitution orders. The legislation directs the court to: (1) order the probation service of the court to obtain and include in its presentence report, or in a separate report, information sufficient for the court to exercise its discretion in fashioning a restitution order (which shall include a complete accounting of the losses to each victim, any restitution owed pursuant to a plea agreement, and information relating to the economic circumstances of each defendant); and (2) disclose to the defendant and the attorney for the Government all portions of the report pertaining to such matters.

This section also makes specified provisions of the Federal criminal code and Rule 32(c) of the Federal Rules of Criminal Procedure the only rules applicable to proceedings for the issuance and enforcement of restitution orders. It authorizes the court, upon application of the United States, to enter a restraining order or injunction, require the execution of a satisfactory performance bond, or take any other action to preserve the availability of property or assets necessary to satisfy a criminal restitution order, if specified circumstances apply.

This legislation also sets forth provisions regarding: (1) notice requirements; (2) evidence and information that the court may consider at a hearing; (3) the use of temporary restraining orders; (4) disclosure of financial information regarding the defendant; (5) the use of consumer credit reports; (6) timetables for the attorney for the United States to provide the probation service of the court with information available to the attorney, including matters occurring before the grand jury relating to the identity of the victims, the amount of loss, and financial matters relating to the defendant.

Further, this section directs the attorney for the Government to provide notice to all victims. It authorizes: (1) the court to limit the information to be provided or sought by the probation service under specified circumstances; (2) a victim who objects to any information provided to the probation service by the attorney for the United States to file a separate affidavit with the court; and (3) the court to require additional documentation or hear testimony after reviewing the report of the probation service. Provides for the privacy of records filed and testimony heard and permits records to be filed or testimony to be heard in camera.

This legislation also establishes procedures regarding the court's ascertaining of the victims' losses. It permits the court to refer any issue arising in connection with a proposed restitution order to a magistrate or special master for proposed findings of fact and recommendations as to disposition, subject to a de novo determination of the issue by the court. Sets forth provisions regarding: (1) consideration of compensation for losses from insurance or other sources; and (2) the burden of proof.

The bill directs the court to order restitution to each victim in the full amount of each victim's losses as determined by the court without consideration of the defendant's economic circumstances. It sets forth provisions regarding situations where the amount of the loss is not reasonably ascertainable, and where there is more than one defendant. The bill also specifies that no victim shall be required to participate in any phase of a restitution order.

This legislation requires the defendant to notify the court and the Attorney General of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay restitution. Authorizes the court to adjust the payment schedule.

It also sets forth provisions regarding: (1) court retention of jurisdiction over criminal restitution judgments; and (2) enforcement of restitution orders. Further, this section specifies that: (1) a conviction of a defendant for an offense giving rise to restitution shall estop the defendant from denying the essential allegations of that offense in any subsequent Federal civil proceeding or State civil proceeding, regardless of any State law precluding estoppel for a lack of mutuality; and (2) the victim, in such subsequent proceeding, shall not be precluded from establishing a loss that is greater than that determined by the court in the earlier criminal proceeding.

Section 3. Civil Remedies

This section adds restitution to a provision governing the post-sentence administration of fines. Provides that an order of restitution shall operate as a lien in favor of the United States for its benefit or for the benefit of any non-federal victims against all property belonging to the defendant. Authorizes the court, in enforcing a restitution order, to order jointly owned property divided and sold, subject to specified requirements.

Section 4. Fines

Species that a defendant shall not incur any criminal penalty for failure to make a payment on a fine, special assessment, restitution, or cost because of the defendant's indigency.

Section 5. Resentencing

This section authorizes the court, where a defendant knowingly fails to pay a delinquent fine, to increase the defendant's sentence to any sentence that might originally have been imposed under the applicable statute.

By Mr. ABRAHAM (for himself, Mr. ALLARD, Mrs. FEINSTEIN, Mr. HATCH, Mr. THURMOND, Mr. HELMS, Mr. KYL, Mr. HUTCHINSON, Mr. GRAMS, Mr. ENZI, Mr. HAGEL, and Mr. COVERDELL):

S. 146. A bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes; to the Committee on the Judiciary.

THE POWDER COCAINE SENTENCING ACT

Mr. ABRAHAM. Mr. President, I rise to introduce ''The Powder Cocaine Sentencing Act of 1999.'' This legislation would toughen federal policy toward powder cocaine dealers by reducing from 500 to 50 grams the amount of powder cocaine a person must be convicted of distributing in order to receive a mandatory 5 year minimum sentence.

I am convinced, Mr. President, that we need tougher sentences for powder cocaine dealers so that we may protect our kids from drugs and our neighborhoods from the violence and social breakdown that accompany drug trafficking.

We have seen a disturbing trend in recent years, a reversal, really, of the decade long progress we enjoyed in the war on drugs. For example, over the last six years the percentage of high school seniors admitting that they had used an illicit drug has risen by more than half. This spells trouble for our children. Increased drug use means increased danger of every social pathology of which we know. It must stop.

Ironically, at the same time that we are learning the disturbing news about overall drug use among teens, we also are finding heartening news in our war on violent crime. The F.B.I. now reports that, since 1991, the number of homicides committed in the United States has dropped by 31 percent. Also since 1991, the number of robberies has fallen 32 percent. According to the Bureau of Justice Statistics, robberies fell a stunning 17 percent in 1997 alone.

This is good news, Mr. President. And there is widespread agreement among experts in the field that the principal cause of this decline in violent crime is our success in curbing the crack cocaine epidemic and the violent gang activities that accompany that epidemic. The New York Times recently reported on a conference of criminologists held in New Orleans. Experts at the conference agreed that the rise and fall in violent crime during the 1980s and 1990s closely paralleled the rise and fall of the crack epidemic.

At the same time, there is a warning signal here. The most recent ''Monitoring the Future'' Study done by the University of Michigan, which tracks drug use and attitudes by teenagers, showed an increase in the use of both crack and powder cocaine this year. This is in contrast to its finding that the use of other drugs by kids may finally be leveling off, albeit at unacceptably high levels.

Yet surprisingly, despite these developments, in last year's Ten Year Plan for a National Drug Control Strategy, the Administration proposed making crack sentences 5 times more lenient than they are today. Why? The Administration say we need to reduce crack dealer sentences because they are too tough when compared to sentences for powder cocaine dealers. And it is true that it does not make sense for people higher on the drug chain to get lighter sentences than those at the bottom. But going easier on crack peddlers—the dealers who infest our school yards and playgrounds—is not the solution. Crack is cheap and highly addictive. Tough crack sentences have encouraged many dealers to turn in their superiors in exchange for leniency. Softening these sentences will remove that incentive and undermine our prosecutors, making them less effective at protecting our children and our neighborhoods.

The Powder Cocaine Sentencing Act rests on the conviction that there is a better way to bring crack and powder cocaine sentences more in line. First, it rejects any proposal to lower sentences for crack dealers. Second, it makes sentences for powder cocaine dealers a good deal tougher than they are today.

Mr. President, this legislation will reduce the differential between the amount of powder and crack cocaine required to trigger a mandatory minimum sentence from 100 to 1 to 10 to 1—the same ratio proposed by the Administration. But this legislation will accomplish that goal, not by making crack dealer sentences more lenient, but rather by toughening sentences for powder cocaine dealers.

At this crucial time we may be making real progress in winning the war on violent crime in part because we have sent the message that crack gang membership is no way to live and that society will come down very hard on those spreading this pernicious drug. At the same time our kids remain all too exposed to dangerous drugs, far more exposed than any of us can probably really imagine. In light of these two trends, it would be a catastrophic mistake to let any drug dealer think that the cost of doing business is going down. As important, Mr. President, it will be nearly impossible to succeed in discouraging our children from using drugs if they hear we are lowering sentences for any category of drug dealers.

I ask my colleagues to send a strong message to drug dealers and to our kids, the message that drugs are dangerous and illegal, and those who sell them will not be tolerated. This legislation will send this message, and I urge my colleagues to give it their full support.

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

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

S. 146

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 ''Powder Cocaine Sentencing Act of 1999''.

SEC. 2. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances

Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Mr. GRAMS. Mr. President, I rise in support of the ''Powder Cocaine Sentencing Act of 1999'' sponsored by Senator SPENCE ABRAHAM of Michigan. I am proud to be an original cosponsor of this important legislation that will toughen federal policy toward powder cocaine dealers.

As we begin the legislative business of the Senate this year, we must strengthen our efforts to stop illegal drug use and drug-related crime and violence. We must fulfill our moral obligation to communicate the dangers and consequences of illegal drug use. Continuing our fight against the threat of drug abuse is one of the most important contributions the 106th Congress can make toward providing a promising future for the young people of America.

Under current law, a dealer must distribute 500 grams of powder cocaine to qualify for a 5-year mandatory minimum prison sentence, and distribute 5 grams of crack cocaine for that offense. These sentencing guidelines result in a 100-to-1 quantity ratio between powder and more severe crack cocaine distribution sentences. This disparity has caused a great deal of concern among members of Congress and the administration. Unfortunately, the Clinton administration fails to see the dangers in changing the federal crack cocaine distribution law.

During the 104th Congress, the U.S. Sentencing Commission recommended a lower threshold under which a convicted person may receive a 5-year mandatory sentence in cases involving the distribution of crack cocaine. Through the leadership of Senator ABRAHAM, Congress overwhelmingly passed legislation which rejected the Sentencing Commission's proposal. At the signing ceremony for this legislation, President Clinton expressed the strong message its enactment would send to our Nation and those who choose to deal drugs throughout our communities.

President Clinton remarked,

We have to send a constant message to our children that drugs are illegal, drugs are dangerous, drugs may cost you your life—and the penalties for dealing drugs are severe. I am not going to let anyone who peddles drugs get the idea that the cost of doing business is going down.

Regrettably, the Clinton administration continues to promote a federal sentencing policy for crack cocaine offenses that fails to recognize the dangerous and addictive nature of this illegal substance and its impact upon violent crime throughout our communities. In an April 1997 report to Congress, the Sentencing Commission unanimously recommended an increase in the mandatory minimum trigger for the distribution of crack cocaine.

I share the views expressed by the administration and community groups in my home state of Minnesota that the current penalty disparity in cocaine sentencing should be addressed. However, I disagree with the ill-advised manner in which the administration seeks to achieve this goal by making the mandatory minimum prison sentences for crack cocaine dealers at least five times more lenient than they are today.

Mr. President, the legislation offered today by Senator ABRAHAM represents a fair and effective approach toward federal cocaine sentencing policy. Rather than make federal crack cocaine sentences more lenient, the Abraham bill would reduce from 500 to 50 grams the amount of powder cocaine a person must be convicted of distributing before receiving a mandatory 5-year sentence. This legislation would adjust the current 100-to-1 quantity ratio to 10-to-1 by toughening powder cocaine sentences without reducing crack cocaine sentences.

By February 1, Congress will receive a National Drug Control Strategy from the Office of National Drug Control Policy which will contain goals for reducing drug abuse in the United States. As part of this plan, I am hopeful that National Drug Control Policy Director Barry McCaffrey will speak out forcefully against any proposal to make sentences for a person who is convicted of dealing crack cocaine more lenient. Punishing drug dealers who prey upon the innocence of our children should be a critical component of our nation's drug strategy.

Mr. President, I urge my colleagues to support the ''Powder Cocaine Sentencing Act of 1999'' and reject lower federal crack sentences. We should exercise greater oversight of federal sentencing policy for cocaine offenses. Passage of this legislation will help give greater protection to Americans from drugs by keeping offenders off the streets for longer periods of time.

By Mr. ABRAHAM (for himself, Mr. LEVIN, Mr. ASHCROFT, and Mr. DEWINE):

S. 147. A bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CORPORATE AVERAGE FUEL ECONOMY STANDARDS

Mr. ABRAHAM. Mr. President, I rise today to introduce legislation with Senators LEVIN, ASHCROFT, and DEWINE that would freeze the Corporate Average Fuel Economy standards—known as CAFE—at current levels unless changed by Congress.

This issue is attracting an increased amount of attention as automobile manufacturers continue to increase car and light truck efficiency and as Americans begin to understand the consequences of increased fuel economy standards: less consumer choice, more dangerous vehicles and reduced competitiveness for domestic automobile manufacturers. Perhaps, Mr. President, some of these repercussions could be easier to accept if the supposed benefits of increased CAFE standards were ever realized, but this has not occurred. In the two decades since CAFE standards were first mandated, this Nation's oil imports have grown to account for nearly half our annual consumption and the average number of miles driven by Americans has increased.

Mr. President, last session 15 Senators from both sides of the aisle joined me in sponsoring this legislation. Given the importance of the automobile industry to the continued economic health of the country, the preference for increased capacity that American consumers have demonstrated and the producers' continuing trend toward more efficient engines, it is time for the setting of CAFE standards to once again reside with elected officials.

I urge my colleagues to cosponsor this legislation and ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 147

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

SECTION 1. AVERAGE FUEL ECONOMY STANDARDS.

Beginning on the date of enactment of this Act, the average fuel economy standards established (whether directly or indirectly) under regulations promulgated by the Secretary of Transportation under chapter 329 of title 49, United States Code, prior to the date of enactment of this Act for automobiles (as that term is defined in section 32901 of title 49, United States Code) that are in effect on the day before the date of enactment of this Act, shall apply without amendment, change, or other modification of any kind (whether direct or indirect) for—

(1) the model years specified in the regulations;

(2) the applicable automobiles specified in the regulations last promulgated for such automobiles; and

(3) each model year thereafter;

until chapter 329 of title 49, United States Code, is specifically amended to authorize an amendment, change, or other modification to such standards or is otherwise modified or superseded by law.

By Mr. ABRAHAM (for himself, Mr DASCHLE, Mr. CHAFEE, Mr. HATCH, and Mr. DURBIN):

S. 148. A bill to require the Secretary of the Interior to establish a program to provide assistance in the conservation of neotropical migratory birds; to the Committee on Environment and Public Works.

MIGRATORY BIRD PROTECTION

Mr. ABRAHAM. Mr. President, I rise today to introduce the ''Neotropical Migratory Bird Conservation Act of 1999.'' This legislation, which I am introducing today with my distinguished colleagues, Senator DASCHLE and Senator CHAFEE, is designed to protect over 90 endangered species of bird spending certain seasons in the United States and other seasons in other nations of the Western Hemisphere. This is actually the second time Senator DASCHLE and I have introduced this bill. Last year, after receiving considerable support from the environmental community, this legislation passed the Senate by unanimous consent. Unfortunately, time ran out for equal consideration in the House. Nevertheless, we are back again with renewed determination and I believe the effort in the 106th Congress will prove successful.

Every year, Mr. President, approximately 25 million Americans travel to observe birds, and 60 million American adults watch and feed birds at home. Bird-watching is a source of real pleasure to many Americans, as well as a source of important revenue to states, like my own state of Michigan, which attract tourists to their scenes of natural beauty. Bird watching and feeding generates fully $20 billion every year in revenue across America.

Birdwatching is a popular activity in Michigan, and its increased popularity is reflected by an increase in tourist dollars being spent in small, rural communities. Healthy bird populations also prevent hundreds of millions of dollars in economic losses each year to farming and timber interests. They help control insect populations, thereby preventing crop failures and infestations.

Despite the enormous benefits we derive from our bird populations, many of them are struggling to survive. Ninety species are listed as endangered or threatened in the United States. Another 124 species are of high conservation concern. In my own state we are working to bring the Kirtland's Warbler back from the brink of extinction. In recent years, the population of this distinctive bird has been estimated at approximately 200 nesting pairs. That number has recently increased to an estimated 800 nesting pairs, but this entire species spends half of the year in the Bahamas. Therefore, the significant efforts made by Michigan's Department of Natural Resources and concerned residents will not be enough to save this bird if its winter habitat is degraded or destroyed. Not surprisingly, the primary reason for most declines is the loss of bird habitat.

This situation is not unique, among bird watchers' favorites, many neotropical birds are endangered or of high conservation concern. And several of the most popular neotropical species, including bluebirds, robins, goldfinches and orioles, migrate to and from the Caribbean and Latin America.

Because neotropical migratory birds range across a number of international borders every year, we must work to establish safeguards at both ends of their migration routes, as well as at critical stopover areas along their way. Only in this way can conservation efforts prove successful.

That is why Senator DASCHLE, Senator CHAFEE and I have introduced the ''Neotropical Migratory Bird Conservation Act.'' This legislation will protect bird habitats across international boundaries by establishing partnerships between the business community, nongovernmental organizations and foreign nations. By teaming businesses with international organizations concerned to protect the environment we can combine capital with know-how. By partnering these entities with local organizations in countries where bird habitat is endangered we can see to it that local people receive the training they need to preserve this habitat and maintain this critical natural resource.

This act establishes a three year demonstration project providing $8 million each year to help establish programs in the United States, Latin America and the Caribbean. The greater portion of these funds will be focused outside the U.S. Approved programs will manage and conserve neotropical migratory bird populations. Those eligible to participate will include national and international nongovernmental organizations and business interest, as well as U.S. government entities.

The key to this act is cooperation among nongovernmental organizations. The federal share of each project's cost is never to exceed 33 percent. For grants awarded outside the U.S., the nonfederal match can be made with in-kind contributions. This will encourage volunteerism and local interest in communities that lack the financial resource to contribute currency. Since domestic organizations and communities are more financially secure, the matching portion of grants awarded within the U.S. will be required in cash.

The approach taken by this legislation differs from that of current programs in that it is proactive and, by avoiding a crisis management approach, will prove significantly more cost effective. In addition, this legislation does not call for complicated and expensive bureaucratic structures such as councils, commissions or multi-tiered oversight structures. Further, this legislation will bring needed attention and expertise to areas now receiving relatively little attention in the area of environmental degradation.

This legislation has the support of the National Audubon Society, the American Bird Conservancy and the Ornithological Council. These organizations agree with Senator DASCHLE, SENATOR CHAFEE and I that, by establishing partnerships between business, government and nongovernmental organizations both here and abroad we can greatly enhance the protection of migratory bird habitat.

I urge my colleagues to support this bill and ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 148

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 ''Neotropical Migratory Bird Conservation Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) of the nearly 800 bird species known to occur in the United States, approximately 500 migrate among countries, and the large majority of those species, the neotropical migrants, winter in Latin America and the Caribbean;

(2) neotropical migratory bird species provide invaluable environmental, economic, recreational, and aesthetic benefits to the United States, as well as to the Western Hemisphere;

(3)(A) many neotropical migratory bird populations, once considered common, are in decline, and some have declined to the point that their long-term survival in the wild is in jeopardy; and

(B) the primary reason for the decline in the populations of those species is habitat loss and degradation (including pollution and contamination) across the species' range; and

(4)(A) because neotropical migratory birds range across numerous international borders each year, their conservation requires the commitment and effort of all countries along their migration routes; and

(B) although numerous initiatives exist to conserve migratory birds and their habitat, those initiatives can be significantly strengthened and enhanced by increased coordination.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to perpetuate healthy populations of neotropical migratory birds;

(2) to assist in the conservation of neotropical migratory birds by supporting conservation initiatives in the United States, Latin America, and the Caribbean; and

(3) to provide financial resources and to foster international cooperation for those initiatives.

SEC. 4. DEFINITIONS.

In this Act:

(1) ACCOUNT.—The term ''Account'' means the Neotropical Migratory Bird Conservation Account established by section 9(a).

(2) CONSERVATION.—The term ''conservation'' means the use of methods and procedures necessary to bring a species of neotropical migratory bird to the point at which there are sufficient populations in the wild to ensure the long-term viability of the species, including—

(A) protection and management of neotropical migratory bird populations;

(B) maintenance, management, protection, and restoration of neotropical migratory bird habitat;

(C) research and monitoring;

(D) law enforcement; and

(E) community outreach and education.

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

SEC. 5. FINANCIAL ASSISTANCE.

(a) IN GENERAL.—The Secretary shall establish a program to provide financial assistance for projects to promote the conservation of neotropical migratory birds.

(b) PROJECT APPLICANTS.—A project proposal may be submitted by—

(1) an individual, corporation, partnership, trust, association, or other private entity;

(2) an officer, employee, agent, department, or instrumentality of the Federal Government, of any State, municipality, or political subdivision of a State, or of any foreign government;

(3) a State, municipality, or political subdivision of a State;

(4) any other entity subject to the jurisdiction of the United States or of any foreign country; and

(5) an international organization (as defined in section 1 of the International Organizations Immunities Act (22 U.S.C. 288)).

(c) PROJECT PROPOSALS.—To be considered for financial assistance for a project under this Act, an applicant shall submit a project proposal that—

(1) includes—

(A) the name of the individual responsible for the project;

(B) a succinct statement of the purposes of the project;

(C) a description of the qualifications of individuals conducting the project; and

(D) an estimate of the funds and time necessary to complete the project, including sources and amounts of matching funds;

(2) demonstrates that the project will enhance the conservation of neotropical migratory bird species in Latin America, the Caribbean, or the United States;

(3) includes mechanisms to ensure adequate local public participation in project development and implementation;

(4) contains assurances that the project will be implemented in consultation with relevant wildlife management authorities and other appropriate government officials with jurisdiction over the resources addressed by the project;

(5) demonstrates sensitivity to local historic and cultural resources and complies with applicable laws;

(6) describes how the project will promote sustainable, effective, long-term programs to conserve neotropical migratory birds; and

(7) provides any other information that the Secretary considers to be necessary for evaluating the proposal.

(d) PROJECT REPORTING.—Each recipient of assistance for a project under this Act shall submit to the Secretary such periodic reports as the Secretary considers to be necessary. Each report shall include all information required by the Secretary for evaluating the progress and outcome of the project.

(e) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of each project shall be not greater than 33 percent.

(2) NON-FEDERAL SHARE.—

(A) SOURCE.—The non-Federal share required to be paid for a project shall not be derived from any Federal grant program.

(B) FORM OF PAYMENT.—

(i) PROJECTS IN THE UNITED STATES.—The non-Federal share required to be paid for a project carried out in the United States shall be paid in cash.

(ii) PROJECTS IN FOREIGN COUNTRIES.—The non-Federal share required to be paid for a project carried out in a foreign country may be paid in cash or in kind.

SEC. 6. DUTIES OF THE SECRETARY.

In carrying out this Act, the Secretary shall—

(1) develop guidelines for the solicitation of proposals for projects eligible for financial assistance under section 5;

(2) encourage submission of proposals for projects eligible for financial assistance under section 5, particularly proposals from relevant wildlife management authorities;

(3) select proposals for financial assistance that satisfy the requirements of section 5, giving preference to proposals that address conservation needs not adequately addressed by existing efforts and that are supported by relevant wildlife management authorities; and

(4) generally implement this Act in accordance with its purposes.

SEC. 7. COOPERATION.

(a) IN GENERAL.—In carrying out this Act, the Secretary shall—

(1) support and coordinate existing efforts to conserve neotropical migratory bird species, through—

(A) facilitating meetings among persons involved in such efforts;

(B) promoting the exchange of information among such persons;

(C) developing and entering into agreements with other Federal agencies, foreign, State, and local governmental agencies, and nongovernmental organizations; and

(D) conducting such other activities as the Secretary considers to be appropriate; and

(2) coordinate activities and projects under this Act with existing efforts in order to enhance conservation of neotropical migratory bird species.

(b) ADVISORY GROUP.—

(1) IN GENERAL.—To assist in carrying out this Act, the Secretary may convene an advisory group consisting of individuals representing public and private organizations actively involved in the conservation of neotropical migratory birds.

(2) PUBLIC PARTICIPATION.—

(A) MEETINGS.—The advisory group shall—

(i) ensure that each meeting of the advisory group is open to the public; and

(ii) provide, at each meeting, an opportunity for interested persons to present oral or written statements concerning items on the agenda.

(B) NOTICE.—The Secretary shall provide to the public timely notice of each meeting of the advisory group.

(C) MINUTES.—Minutes of each meeting of the advisory group shall be kept by the Secretary and shall be made available to the public.

(3) EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory group.

SEC. 8. REPORT TO CONGRESS.

Not later than October 1, 2002, the Secretary shall submit to Congress a report on the results and effectiveness of the program carried out under this Act, including recommendations concerning how the Act might be improved and whether the program should be continued.

SEC. 9. NEOTROPICAL MIGRATORY BIRD CONSERVATION ACCOUNT.

(a) ESTABLISHMENT.—There is established in the Multinational Species Conservation Fund of the Treasury a separate account to be known as the ''Neotropical Migratory Bird Conservation Account'', which shall consist of amounts deposited into the Account by the Secretary of the Treasury under subsection (b).

(b) DEPOSITS INTO THE ACCOUNT.—The Secretary of the Treasury shall deposit into the Account—

(1) all amounts received by the Secretary in the form of donations under subsection (d); and

(2) other amounts appropriated to the Account.

(c) USE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may use amounts in the Account, without further Act of appropriation, to carry out this Act.

(2) ADMINISTRATIVE EXPENSES.—Of amounts in the Account available for each fiscal year, the Secretary may expend not more than 6 percent to pay the administrative expenses necessary to carry out this Act.

(d) ACCEPTANCE AND USE OF DONATIONS.—The Secretary may accept and use donations to carry out this Act. Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Account.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Account to carry out this Act $8,000,000 for each of fiscal years 2000 through 2003, to remain available until expended, of which not less than 50 percent of the amounts made available for each fiscal year shall be expended for projects carried out outside the United States.

Mr. DASCHLE. Mr. President, it is my pleasure today to join with my colleagues to introduce the Neotropical Migratory Bird Conservation Act.

First, let me commend my colleague, Senator ABRAHAM, for all of his work to develop this legislation. This bill addresses some of the critical threats to wildlife habitat and species diversity and demonstrates his commitment, which I strongly share, to solving the many challenges we face in this regard.

The Neotropical Migratory Bird Conservation Act will help to ensure that some of our most valuable and beautiful species of birds—those that most of us take for granted, including bluebirds, goldfinches, robins and orioles—may overcome the challenges posed by habitat destruction and thrive for generations to come. It is not widely recognized that many North American bird species once considered common are in decline. In fact, a total of 90 species of migratory birds are listed as endangered or threatened in the United States, and another 124 species are considered to be of high conservation concern.

The main cause of this decline is the loss of critical habitat throughout our hemisphere. Because these birds range across international borders, it is essential that we work with nations in Latin America and the Caribbean to establish protected stopover areas during their emigrations. This bill achieves that goal by fostering partnerships between businesses, nongovernmental organizations and other nations to bring together the capital and expertise needed to preserve habitat throughout our hemisphere.

As we begin the 106th Congress, I urge my colleagues to support this legislation. It has been endorsed by the National Audubon Society, the American Bird Conservancy and the Ornithological Council. I believe that it will substantially improve upon our ability to maintain critical habitat in our hemisphere and help to halt the decline of these important species.

Mr. CHAFEE. Mr. President, I am pleased to cosponsor the Neotropical Migratory Bird Conservation Act of 1999, introduced by Senator ABRAHAM. The bill would establish a program to provide financial assistance for projects to promote the conservation of neotropical migratory birds in the United States, Latin America, and the Caribbean. An identical bill, which I also cosponsored, was approved by the Senate during the last Congress, but failed in the House for reasons unrelated to the bill.

Each autumn, some 5 billion birds from 500 species migrate between their breeding grounds in North America and tropical habitats in the Caribbean, Central and South America. These neotropical migrants—or New World tropical migrants—are birds that migrate between the biogeographic region stretching across Mexico, Central America, much of the Caribbean, and the northern part of South America.

The natural challenges facing these migratory birds are profound. These challenges have been exacerbated by human-induced impacts, particularly the continuing loss of habitat in the Caribbean and Latin America. As a result, populations of migratory birds have declined generally in recent years.

While there are numerous efforts underway to protect these species and their habitat, they generally focus on specific groups of migratory birds or specific regions in the Americas. There is a need for a more comprehensive program to address the varied and significant threats facing the numerous species of migratory birds across their range.

Frequently there is little, if any, coordination among the existing programs, nor is there any one program that serves as a link among them. A broader, more holistic approach would bolster existing conservation efforts and programs, fill the gaps between these programs, and promote new initiatives.

The bill we are introducing today encompasses this new approach. It mandates a program to promote voluntary, collaborative partnerships among Federal, State, and private organizations. The Federal share can be no more than 33 percent. The non-Federal share for projects in the U.S. must be paid in cash, while in projects outside the U.S., the non-Federal share may be entirely in-kind contributions. The Secretary of the Interior may establish an advisory group to assist in implementing the legislation. The success of this initiative will depend on close coordination with public and private organizations involved in the conservation of migratory birds. The bill authorizes up to $8 million annually for appropriations, of which no less than 50 percent can be spent for projects outside the U.S.

I believe that this bill is a much needed initiative that will fill a great void in conservation of our nation's wildlife. I urge my colleagues to cosponsor it.

By Mr. KOHL:

S 149. A bill to amend chapter 44 of title 18, United States Code, to require the provision of a child safety lock in connection with the transfer of a handgun; to the Committee on the Judiciary.

CHILD SAFETY LOCK ACT OF 1999

Mr. KOHL. Mr. President, today I introduce the Child Safety Lock Act of 1999, along with Senators CHAFEE, FEINSTEIN, BOXER and DURBIN. Our bipartisan measure will save children's lives by reducing the senseless tragedies that result when improperly stored and unlocked handguns come within the reach of children.

Each year, nearly 500 children and teenagers are killed in firearms accidents, and every year 1,500 more children use firearms to commit suicide. Additionally, about 7,000 violent juvenile crimes are committed annually with guns which children take from their own homes. Safety locks can be effective in preventing at least some of these incidents.

The sad truth is that we are inviting disaster because guns too often are not being properly stored away from children. Nearly 100 million privately-owned firearms are stored unlocked, with 22 million of these guns left unlocked and loaded; twenty-four percent of children between the ages of 10 and 17 say that they can gain access to a gun in their home; and the Centers for Disease Control estimate that almost 1.2 million elementary school-aged children return from school to a home where there is no adult supervision, but at least one firearm.

That is not only wrong, it is unacceptable.

Our legislation will help address this problem. It is simple, effective and straightforward. It requires that a child safety device—or trigger lock—be sold with every handgun. These devices vary in form, but the most common resemble a padlock that wraps around the gun trigger and immobilizes it. Trigger locks are already used by tens of thousands of responsible gun owners to protect their firearms from unauthorized use, and they can be purchased in virtually any gun store for less than 10 dollars.

This measure gained momentum last Congress, falling short by just one vote in the Judiciary Committee. Moreover, in part as a result of our proposal, a majority of the largest handgun manufacturers in the United States agreed to voluntarily include safety locks with each handgun they manufacture. Despite this unprecedented voluntary step, though, our legislation is still needed. Here's why: because some manufacturers appear to be dragging their feet—an October 1998 study indicated that eighty percent of the handgun makers who signed onto the voluntary agreement were not yet providing safety locks. And even if they do comply, many handguns would likely still not be covered because too many other manufacturers have refused to sign onto our agreement.

Mr. President, this legislation is necessary to ensure that safety locks are provided with all handguns, and to keep the pressure on handgun manufacturers to put safety first. We already protect children by requiring that seat belts be installed in all automobiles and that childproof safety caps be provided on medicine bottles. We should be no less vigilant when it comes to gun safety.

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

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

S. 149

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 ''Child Safety Lock Act of 1999''.

SEC. 2. CHILD SAFETY LOCKS.

(a) DEFINITIONS.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

''(35) The term 'locking device' means a device or locking mechanism—

''(A) that—

''(i) if installed on a firearm and secured by means of a key or a mechanically, electronically, or electromechanically operated combination lock, is designed to prevent the firearm from being discharged without first deactivating or removing the device by means of a key or mechanically, electronically, or electromechanically operated combination lock;

''(ii) if incorporated into the design of a firearm, is designed to prevent discharge of the firearm by any person who does not have access to the key or other device designed to

unlock the mechanism and thereby allow discharge of the firearm; or

''(iii) is a safe, gun safe, gun case, lock box, or other device that is designed to store a firearm and that is designed to be unlocked only by means of a key, a combination, or other similar means; and

''(B) that is approved by a licensed firearms manufacturer for use on the handgun with which the device or locking mechanism is sold, delivered, or transferred.''.

(b) UNLAWFUL ACTS.—

(1) IN GENERAL.—Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

''(z) LOCKING DEVICES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any licensed manufacturer, licensed importer, or licensed dealer to sell, deliver, or transfer any handgun to any person other than a licensed manufacturer, licensed importer, or licensed dealer, unless the transferee is provided with a locking device for that handgun.

''(2) EXCEPTIONS.—Paragraph (1) does not apply to—

''(A) the—

''(i) manufacture for, transfer to, or possession by, the United States or a State or a department or agency of the United States, or a State or a department, agency, or political subdivision of a State, of a firearm; or

''(ii) transfer to, or possession by, a law enforcement officer employed by an entity referred to in clause (i) of a firearm for law enforcement purposes (whether on or off duty); or

''(B) the transfer to, or possession by, a rail police officer employed by a rail carrier and certified or commissioned as a police officer under the laws of a State of a firearm for purposes of law enforcement (whether on or off duty).''.

(2) EFFECTIVE DATE.—Section 922(y) of title 18, United States Code, as added by this subsection, shall take effect 180 days after the date of enactment of this Act.

(c) LIABILITY; EVIDENCE.—

(1) LIABILITY.—Nothing in this section shall be construed to—

(A) create a cause of action against any firearms dealer or any other person for any civil liability; or

(B) establish any standard of care.

(2) EVIDENCE.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with the amendments made by this section shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this section.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to bar a governmental action to impose a penalty under section 924(p) of title 18, United States Code, for a failure to comply with section 922(y) of that title.

(d) CIVIL PENALTIES.—Section 924 of title 18, United States Code, is amended—

(1) in subsection (a)(1), by striking ''or (f)'' and inserting ''(f), or (p)''; and

(2) by adding at the end the following:

''(p) PENALTIES RELATING TO LOCKING DEVICES.—

''(1) IN GENERAL.—

''(A) SUSPENSION OR REVOCATION OF LICENSE; CIVIL PENALTIES.—With respect to each violation of section 922(y)(1) by a licensee, the Secretary may, after notice and opportunity for hearing—

''(i) suspend or revoke any license issued to the licensee under this chapter; or

''(ii) subject the licensee to a civil penalty in an amount equal to not more than $10,000.

''(B) REVIEW.—An action of the Secretary under this paragraph may be reviewed only as provided in section 923(f).

''(2) ADMINISTRATIVE REMEDIES.—The suspension or revocation of a license or the imposition of a civil penalty under paragraph (1) does not preclude any administrative remedy that is otherwise available to the Secretary.''.

By Mr. WYDEN:

S. 150. A bill to the relief of Marina Khalina and her son, Albert Miftakhov; to the Committee on the Judiciary.

PRIVATE RELIEF BILL

Mr. WYDEN. Mr. President, today I introduce a measure to bring critically needed relief to Marina Khalina and her son, Albert Miftakhov, who suffers from cerebral palsy. Marina and Albert are Russian immigrants who have made a new home for themselves in the state of Oregon. They love their new life in America, but they face deportation unless Congress steps in and helps them become citizens of this country.

Marina and Albert have been valuable members of their community in Oregon and would make model citizens. They are both people of exceptional moral character. Neither has been arrested or convicted of any crime. Although Albert often has had to miss school for medical operations, therapy, and other treatments, he consistently has been a good student. Marina has worked tirelessly in the United States to support her family and to cover her son's staggering medical costs, which will include additional surgery in the future. Through hard work, determination, and courage, Marina has made sure that Albert receives the medical care he requires.

Forcibly removing them and sending them back to Russia would result in extreme hardship for both of them and would make it virtually impossible for Albert to receive proper medical attention. Albert would be unable to lead a normal life due to the current inability of Russian society to understand and accommodate disabled persons. Even the most basic medical treatment, surgical intervention and physical therapy would be either unavailable or extremely difficult to obtain in Russia.

Although life has not been easy for Marina and Albert, they have both shown bravery in the face of adversity. This bill will allow Marina and Albert to stay in the United States so that Albert can receive the care he needs to lead a normal life. I urge you to support this legislation.

By Mr. SARBANES:

S. 151. A bill to amend the International Maritime Satellite Telecommunications Act to ensure the continuing provision of certain global satellite safety services after the privatization of the business operations of the International Mobile Satellite Organization, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS ACT AMENDMENTS

Mr. SARBANES. Mr. President, today I am introducing legislation to authorize continued U.S. participation in the International Mobile Satellite Organization, currently known as ''Inmarsat'', during and after its restructuring, scheduled to take place April 1. The United States is currently a member of this organization, but its structure and functions are slated for significant reform. Rather than actually owning and operating mobile satellite telecommunications facilities, the intergovernmental institution will retain the much more limited role of overseeing the provision of global maritime distress and safety services, ensuring that this important function is carried out properly and effectively under contract. U.S. participation in the organization—which will keep the same name but change its acronym to ''IMSO''—will not require a U.S. financial contribution and will not impose any new legal obligations upon the U.S. government. Privatization of Inmarsat's commercial satellite business is an objective broadly shared by the legislative and executive branches, American businesses, COMSAT, which is the U.S. signatory entity, and the international community.

To give some brief background, Inmarsat was established in 1979 to serve the global maritime industry by developing satellite communications for ship management and distress and safety applications. Over the past 20 years, Inmarsat has expanded both in terms of membership and mission. The intergovernmental organization now counts 85 member countries and has expanded into land-mobile and aeronautical communications.

Inmarsat's governing bodies, the Assembly of Parties and the Inmarsat Council, have reached an agreement to restructure the organization, a move that has been strongly supported and encouraged by the United States. This restructuring will shift Inmarsat's commercial activities out of the intergovernmental organization and into a broadly-owned public corporation by next spring. The new corporation will acquire all of Inmarsat's operational assets, including its satellites, and will assume all of Inmarsat's operational functions. All that will remain of the intergovernmental institution is a scaled-down secretariat with a small staff to ensure that the new corporation continues to meet certain public service obligations, such as the Global Maritime Distress and Safety System (GMDSS). It is important to U.S. interests that we participate in the oversight of this function, as well as be fully represented in the organization throughout the process of privatization.

The legislation I am introducing will enable a smooth transition to the new

structure. It contains two major provisions. First, it authorizes the President to maintain U.S. membership in IMSO after restructuring to ensure the continued provision of global maritime distress and safety satellite communications services. Second, it repeals those provisions of the International Maritime Satellite Telecommunications Act that will be rendered obsolete by the restructuring of Inmarsat, including all those relating to COMSAT's role as the United States' signatory. The bill's provisions will take effect on the date that Inmarsat transfers its commercial operations to the new corporation.

Mr. President, I urge my colleagues to join me in support of this measure and ask unanimous consent that a copy of this legislation be included in the RECORD.

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

S. 151

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

SECTION 1. CONTINUING PROVISION OF GLOBAL SATELLITE SAFETY SERVICES AFTER PRIVATIZATION OF BUSINESS OPERATIONS OF INTERNATIONAL MOBILE SATELLITE ORGANIZATION.

(a) AUTHORITY.—The International Maritime Satellite Telecommunications Act (47 U.S.C. 751 et seq.) is amended by adding at the end the following:

''GLOBAL SATELLITE SAFETY SERVICES AFTER PRIVATIZATION OF BUSINESS OPERATIONS OF INMARSAT

''SEC. 506. In order to ensure the continued provision of global maritime distress and safety satellite telecommunications services after the privatization of the business operations of INMARSAT, the President may maintain on behalf of the United States membership in the International Mobile Satellite Organization.''.

(b) REPEAL OF SUPERSEDED AUTHORITY.—

(1) REPEAL.—That Act is further amended by striking sections 502, 503, 504, and 505 (47 U.S.C. 751, 752, 753, and 757).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date on which the International Mobile Satellite Organization ceases to operate directly a global mobile satellite system.

By Mr. MOYNIHAN:

S. 152. A bill to amend the Internal Revenue Code of 1986 to increase the tax on handgun ammunition, to impose the special occupational tax and registration requirements on importers and manufacturers of handgun ammunition, and for other purposes; to the Committee on Finance.

REAL COST OF DESTRUCTION AMMUNITION ACT

By Mr. MOYNIHAN:

S. 153. A bill to prohibit the use of certain ammunition, and for other purposes; to the Committee on the Judiciary.

DESTRUCTIVE AMMUNITION PROHIBITION ACT OF 1999

By Mr. MOYNIHAN:

S. 154. A bill to amend title 18, United States Code, with respect to the licensing of ammunition manufacturers, and for other purposes; to the Committee on the Judiciary.

HANDGUN AMMUNITION CONTROL ACT OF 1999

By Mr. MOYNIHAN:

S. 155. A bill to provide for the collection and dissemination of information on injuries, death, and family dissolution due to bullet-related violence, to require the keeping of records with respect to dispositions of ammunition, and to increase taxes on certain bullets; to the Committee on Finance.

VIOLENT CRIME CONTROL ACT OF 1999

By Mr. MOYNIHAN:

S. 156. A bill to amend chapter 44 of title 18, United States Code, to prohibit the manufacture, transfer, or importation of .25 caliber and .32 caliber and 9 millimeter ammunition; to the Committee on the Judiciary.

VIOLENT CRIME REDUCTION ACT OF 1999

By Mr. MOYNIHAN:

S. 157. A bill to amend the Internal Revenue Code of 1986 to tax 9 millimeter, .25 caliber, and .32 caliber bullets; to the Committee on Finance.

REAL COST OF HANDGUN AMMUNITION ACT OF 1999

By Mr. MOYNIHAN:

S. 158. A bill to amend title 18, United States Code, to regulate the manufacture, importation, and sale of ammunition capable of piercing police body armor; to the Committee on the Judiciary.

LAW ENFORCEMENT OFFICERS PROTECTION AMENDMENT ACT OF 1999

Mr. MOYNIHAN. Mr. President, I rise today to introduce a series of bills aimed at curtailing gun related violence, one of the leading causes of death in this country. These bills launch a two-prong assault. The first seeks to outlaw certain types of ammunition that have no purpose other than killing people. The second imposes heavy taxes on these same deadly categories by making them prohibitively expensive. Similarly, I am proposing that we commission an epidemiological study on bullet-related violence in this country and that we enhance the safety of this nation's police officers by promulgating performance standards for armor piercing ammunition.

My first two bills are called the Destructive Ammunition Prohibition Act of 1999 and the Real Cost of Destructive Ammunition Act of 1999.

Some of my colleagues may remember the Black Talon. It is a hollow-tipped bullet, singular among handgun ammunition in its capacity for destruction. Upon impact with human tissue, the bullet produces razor-sharp radial petals that produce a devastating wound. It is the very same bullet that a crazed gunman fired at unsuspecting passengers on a Long Island Railroad train in December 1993, killing the husband of now Congresswoman CAROLYN MCCARTHY and injuring her son. That same month, it was also used in the shooting of Officer Jason E. White of the District of Columbia Metropolitan Police Department, just 15 blocks from the Capitol.

I first learned of the Black Talon in a letter I received from Dr. E.J. Gallagher, director of Emergency Medicine at Albert Einstein College of Medicine at the Municipal Hospital Trauma Center in the Bronx. Dr. Gallagher wrote that he has never seen a more lethal projectile. On November 3, 1993, I introduced a bill to tax the Black Talon at 10,000 percent. Nineteen days later, Olin Corp., the manufacturer of the Black Talon, announced that it would withdraw sale of the bullet to the general public. Unfortunately, the 103rd Congress came to a close without the bill's having won passage.

As a result, there is nothing in law to prevent the reintroduction of this pernicious bullet, nor is there any existing impediment to the sale of similar rounds that might be produced by another manufacturer. So today I reintroduce the bill to tax the Black Talon as well as a bill to prohibit the sale of the Black Talon to the public. Both bills would apply to any bullet with the same physical characteristics as the Black Talon.

It has been estimated that the cost of hospital services for treating bullet-related injuries is $1 billion per year, with the total cost to the economy of such injuries approximately $14 billion. We can ill afford further increases in this number, but this would surely be the result if bullets with the destructive capacity of the Black Talon are allowed onto the streets.

Mr. President, despite the fact that the national crime rate has decreased in recent months, the number of deaths and injuries caused by bullet wounds is still at an unconscionable level. It is time we take meaningful steps to put an end to the massacres that occur daily as a result of gun violence. How better a beginning than to go after the most insidious culprits of this violence? I urge my colleagues to support these measures and to prevent these bullets from appearing on the market.

My third measure, the Handgun Ammunition Control Act of 1999, introduces a measure to improve our information about the regulation and criminal use of ammunition and to prevent the irresponsible production of ammunition. This bill has three components. First, it would require importers and manufacturers of ammunition to keep records and submit an annual report to the Bureau of Alcohol, Tobacco and Firearms [BATF] on the disposition of ammunition, including the amount, caliber and type of ammunition imported or manufactured. Second, it

would require the Secretary of the Treasury, in consultation with the National Academy of Sciences, to conduct a study of ammunition use and make recommendations on the efficacy of reducing crime by restricting access to ammunition. Finally, it would amend title 18 of the United States Code to raise the application fee for a license to manufacture certain calibers of ammunition.

While there are enough handguns in circulation to last well into the 22nd century, there is perhaps only a 4-year supply of ammunition. But how much of what kind of ammunition? Where does it come from? Where does it go? There are currently no reporting requirements for manufacturers or importers of ammunition; earlier reporting requirements were repealed in 1986. The Federal Bureau of Investigation's annual Uniform Crime Reports, based on information provided by local law enforcement agencies, does not record the caliber, type, or quantity of ammunition used in crime. In short, our data base is woefully inadequate.

I supported the Brady law, which requires a waiting period before the purchase of a handgun, and the recent ban on semi-automatic weapons. But while the debate over gun control continues, I offer another alternative: Ammunition control. After all, as I have said before, guns do not kill people; bullets do.

Ammunition control is not a new idea. In 1982 Phil Caruso of the New York City Patrolmen's Benevolent Association asked me to do something about armor-piercing bullets. Jacketed in tungsten or other materials, these rounds could penetrate four police flak jackets and five Los Angeles County telephone books. They have no sporting value. I introduced legislation, the Law Enforcement Officers Protection Act, to ban the cop-killer bullets in the 97th, 98th and 99th Congresses. It enjoyed the overwhelming support of law enforcement groups and, ultimately, tacit support from the National Rifle Association. It was finally signed into law by President Reagan on August 28, 1986.

The crime bill enacted in 1994 contained my amendment to broaden the 1986 ban to cover new thick steel-jacketed armor-piercing rounds.

Our cities are becoming more aware of the benefits to be gained from ammunition control. The District of Columbia and some other cities prohibit a person from possessing ammunition without a valid license for a firearm of the same caliber or gauge as the ammunition. Beginning in 1990, the city of Los Angeles banned the sale of all ammunition 1 week prior to Independence Day and New Year's Day in an effort to reduce injuries and deaths caused by the firing of guns into the air. And in September 1994, the city of Chicago became the first in America to ban the sale of all handgun ammunition.

Such efforts are laudable. But they are isolated attempts to cure what is in truth a national disease. We need to do more, but to do so, we need information to guide policy making. This bill would fulfill that need by requiring annual reports to BATF by manufactures and importers and by directing a study by the National Academy of Sciences. We also need to encourage manufacturers of ammunition to be more responsible. By substantially increasing application fees for licenses to manufacture .25 caliber, .32 caliber, and 9-mm ammunition, this bill would discourage the reckless production of unsafe ammunition or ammunition which causes excessive damage.

My fourth measure provides a comprehensive way of addressing the epidemic proportions of violence in America.

By including two different crime-related provisions, my bill attacks the crime epidemic on more than just one front. If we are truly serious about confronting our Nation's crime problem, we must learn more about the nature of the epidemic of bullet-related violence and ways to control it. To do this, we must require records to be kept on the disposition of ammunition.

In October 1992, the Senate Finance Committee received testimony that public health and safety experts have, independently, concluded that there is an epidemic of bullet-related violence. The figures are staggering.

In 1995, bullets were used in the murders of 23,673 people in the United States. By focusing on bullets, and not guns, we recognize that much like nuclear waste, guns remain active for centuries. With minimum care, they do not deteriorate. However, bullets are consumed. Estimates suggest we have only a 4-year's supply of them.

Not only am I proposing that we tax bullets used disproportionately in crimes—9 millimeter, .25 and .32 caliber bullets—I also believe we must set up a Bullet Death and Injury Control Program within the Centers for Disease Control's National Center for Injury Prevention and Control. This Center will enhance our knowledge of the distribution and status of bullet-related death and injury and subsequently make recommendations about the extent and nature of bullet-related violence.

So that the Center would have substantive information to study and analyze, this bill also requires importers and manufacturers of ammunition to keep records and submit an annual report to the Bureau of Alcohol, Tobacco, and Firearms [BATF] on the disposition of ammunition. Currently, importers and manufacturers of ammunition are not required to do so.

My next two bills, the Violent Crime Reduction Act of 1999 and the Real Cost of Handgun Ammunition Act of 1999, ban or heavily tax .25 caliber, .32 caliber, and 9 mm ammunition. These calibers of bullets are used disproportionately in crime. They are not sporting or hunting rounds, but instead are the bullets of choice for drug dealers and violent felons. Every year they contribute overwhelmingly to the pervasive loss of life caused by bullet wounds.

Today marks the fifth time in as many Congresses that I have introduced legislation to ban or tax these pernicious bullets. As the terrible gunshot death toll in the United States continues unabated, so too does the need for these bills, which, by keeping these bullets out of the hands of criminals, would save a significant number of lives.

The number of Americans killed or wounded each year by bullets demonstrates their true cost to American society. Just look at the data.

The lifetime risk of death from homicide in U.S. males is 1 in 164, about the same as the risk of death in battle faced by U.S. servicemen in the Vietnam war. For black males, the lifetime risk of death from homicide is 1 in 28, twice the risk of death in battle faced by Marines in Vietnam.

As noted by Susan Baker and her colleagues in the book *Epidemiology and Health Policy*, edited by Sol Levine and Abraham Lilienfeld, there is a correlation between rates of private ownership of guns and gun-related death rates; guns cause two-thirds of family homicides, and small, easily concealed weapons comprise the majority of guns used for homicides, suicides and unintentional death.

Baker states that:

> * * * these facts of the epidemiology of firearm-related deaths and injuries have important implications. Combined with their lethality, the widespread availability of easily concealed handguns for impetuous use by people who are angry, drunk, or frightened appears to be a major determinant of the high firearm death rate in the United States. Each contributing factor has implications for prevention. Unfortunately, issues related to gun control have evoked such strong sentiments that epidemiologic data are rarely employed to good advantage.

Strongly held views on both sides of the gun control issue have made the subject difficult for epidemiologists. I would suggest that a good deal of energy is wasted in this never-ending debate, for gun control as we know it misses the point. We ought to focus on the bullets, not the guns.

I would remind the Senate of our experience in controlling epidemics. Although the science of epidemiology traces its roots to antiquity—Hippocrates stressed the importance of considering environmental influences on human diseases—the first modern epidemiological study was conducted by James Lind in 1747. His efforts led to the eventual control of scurvy. It wasn't until 1795 that the British Navy accepted his analysis and required

limes in shipboard diets. Most solutions are not perfect. Disease is rarely eliminated. But might epidemiology be applied in the case of bullets to reduce suffering? I believe so.

In 1854 John Snow and William Farr collected data that clearly showed cholera was caused by contaminated drinking water. Snow removed the handle of the Broad Street pump in London to prevent people from drawing water from this contaminated water source and the disease stopped in that population. His observations led to a legislative mandate that all London water companies filter their water by 1857. Cholera epidemics subsided. Now treatment of sewage prevents cholera from entering our rivers and lakes, and the disinfection of drinking water makes water distribution systems uninhabitable for cholera vibrio, identified by Robert Koch as the causative agent 26 years after Snow's study.

In 1900, Walter Reed identified mosquitos as the carriers of yellow fever. Subsequent mosquito control efforts by another U.S. Army doctor, William Gorgas, enabled the United States to complete the Panama Canal. The French failed because their workers were too sick from yellow fever to work. Now that it is known that yellow fever is caused by a virus, vaccines are used to eliminate the spread of the disease.

These pioneering epidemiology success stories showed the world that epidemics require an interaction between three things: the host—(the person who becomes sick or, in the case of bullets, the shooting victim); the agent—(the cause of sickness, or the bullet); and the environment—(the setting in which the sickness occurs or, in the case of bullets, violent behavior). Interrupt this epidemiological triad and you reduce or eliminate disease and injury.

How might this approach apply to the control of bullet-related injury and death? Again, we are contemplating something different from gun control. There is a precedent here. In the middle of this century it was recognized that epidemiology could be applied to automobile death and injury. From a governmental perspective, this hypothesis was first adopted in 1959, late in the administration of Gov. Averell Harriman of New York State. In the 1960 Presidential campaign, I drafted a statement on the subject which was released by Senator John F. Kennedy as part of a general response to inquiries from the American Automobile Association. Then Senator Kennedy stated:

> Traffic accidents constitute one of the greatest, perhaps the greatest of the nation's public health problems. They waste as much as 2 percent of our gross national product every year and bring endless suffering. The new highways will do much to control the rise of the traffic toll, but by themselves they will not reduce it. A great deal more investigation and research is needed. Some of this has already begun in connection with the highway program. It should be extended until highway safety research takes its place as an equal of the many similar programs of health research which the federal government supports.

Experience in the 1950's and early 1960's prior to passage of the Motor Vehicle Safety Act, showed that traffic safety enforcement campaigns designed to change human behavior did not improve traffic safety. In fact, the death and injury toll mounted. I was Assistant Secretary of Labor in the mid-1960's when Congress was developing the Motor Vehicle Safety Act, and I was called to testify.

It was clear to me and others that motor vehicle injuries and deaths could not be limited by regulating driver behavior. Nonetheless, we had an epidemic on our hands and we needed to do something about it. My friend William Haddon, the first Administrator of the National Highway Traffic Safety Administration, recognized that automobile fatalities were caused not by the initial collision, when the automobile strikes some object, but by a second collision, in which energy from the first collision is transferred to the interior of the car, causing the driver and occupants to strike the steering wheel, dashboard, or other structures in the passenger compartment. The second collision is the agent of injury to the hosts—the car's occupants.

Efforts to make automobiles crashworthy follow examples used to control infectious disease epidemics. Reduce or eliminate the agent of injury. Seatbelts, padded dashboards, and airbags are all specifically designed to reduce, if not eliminate, injury caused by the agent of automobile injuries, energy transfer to the human body during the second collision. In fact, we've done nothing revolutionary. All of the technology used to date to make cars crashworthy, including airbags, was developed prior to 1970.

Experience shows the approach worked. Of course, it could have worked better, but it worked. Had we been able to totally eliminate the agent—the second collision—the cure would have been complete. Nonetheless, merely by focusing on simple, achievable remedies, we reduced the traffic death and injury epidemic by 30 percent. Motor vehicle deaths declined in absolute terms by 13 percent from 1980 to 1990, despite significant increases in the number of drivers, vehicles, and miles driven. Driver behavior is changing, too. National seatbelt usage is up dramatically, 60 percent now compared to 14 percent in 1984. These efforts have resulted in some 15,000 lives saved and 100,000 injuries avoided each year.

We can apply that experience to the epidemic of murder and injury from bullets. The environment in which these deaths and injuries occur is complex. Many factors likely contribute to the rise in bullet-related injury. Here is an important similarity with the situation we faced 25 years ago regarding automobile safety. We found we could not easily alter the behavior of millions of drivers, but we could—easily—change the behavior of three or four automobile manufacturers. Likewise, we simply cannot do much to change the environment—violent behavior—in which gun-related injury occurs, nor do we know how. We can, however, do something about the agent causing the injury: bullets. Ban them. At least the rounds used disproportionately to cause death and injury; that is, the .25 caliber, .32 caliber, and 9 millimeter bullets. These three rounds account for the ammunition used in about 13 percent of licensed guns in New York City, yet they are involved in one-third of all homicides. They are not, as I have said, useful for sport or hunting. They are used for violence. If we fail to confront the fact that these rounds are used disproportionately in crimes, innocent people will continue to die.

I have called on Congress during the past several sessions to ban or heavily tax these bullets. This would not be the first time that Congress has banned a particular round of ammunition. In 1986, it passed legislation written by the Senator from New York banning the so-called ''cop-killer'' bullet. This round, jacketed with tungsten alloys, steel, brass, or any number of other metals, had been demonstrated to penetrate no fewer than four police flak jackets and an additional five Los Angeles County phone books at one time. In 1982, the New York Police Benevolent Association came to me and asked me to do something about the ready availability of these bullets. The result was the Law Enforcement Officers Protection Act, which we introduced in 1982, 1983, and for the last time during the 99th Congress. In the end, with the tacit support of the National Rifle Association, the measure passed the Congress and was signed by the President as Public Law 99–408 on August 28, 1986. In the 1994 crime bill, we enacted my amendment to broaden the ban to include new thick steel-jacketed armor-piercing rounds.

There are some 220 million firearms in circulation in the United States today. They are, in essence, simple machines, and with minimal care, remain working for centuries. However, estimates suggest that we have only a 4-year supply of bullets. Some 2 billion cartridges are used each year. At any given time there are some 7.5 billion rounds in factory, commercial, or household inventory.

In all cases, with the exception of pistol whipping, gun-related injuries are caused not by the gun, but by the agents involved in the second collision: the bullets. Eliminating the most dangerous rounds would not end the problem of handgun killings. But it would

reduce it. A 30-percent reduction in bullet-related deaths, for instance, would save over 10,000 lives each year and prevent up to 50,000 wounds.

The bills I introduce today would begin the process. They would begin to control the problem by banning or taxing those rounds used disproportionately in crime—the .25-caliber, .32-caliber, and 9-millimeter rounds. The bills recognize the epidemic nature of the problem, building on findings contained in the June 10, 1992 issue of the Journal of the American Medical Association which was devoted entirely to the subject of violence, principally violence associated with firearms.

My seventh bill introduces legislation today to amend Title 18 of the United States Code to strengthen the existing prohibition on handgun ammunition capable of penetrating police body armor, commonly referred to as bullet-proof vests. This provision would require the Secretary of the Treasury and the Attorney General to develop a uniform ballistics test to determine with precision whether ammunition is capable of penetrating police body armor. The bill also prohibits the manufacture and sale of any handgun ammunition determined by the Secretary of the Treasury and the Attorney General to have armor-piercing capability.

Mr. President, it has been seventeen years since I first introduced legislation in the Senate to outlaw armor-piercing, or ''cop-killer,'' bullets. In 1982, Phil Caruso of the Patrolman's Benevolent Association of New York City alerted me to the existence of a Teflon-coated bullet capable of penetrating the soft body armor police officers were then beginning to wear. Shortly thereafter, I introduced the Law Enforcement Officers Protection Act of 1982 to prohibit the manufacture, importation, and sale of such ammunition.

At that time, armor-piercing bullets—most notably the infamous ''Green Hornet''—were manufactured with a solid steel core. Unlike the softer lead composition of most other ammunition, this hard steel core prevented these rounds from deforming at the point of impact—thus permitting the rounds to penetrate the 18 layers of Kevlar in a standard-issue police vest or ''flak-jacket.'' These bullets could go through a bullet-proof vest like a hot knife through butter. My legislation simply banned any handgun ammunition made with a core of steel or other hard metals.

Despite the strong support of the law enforcement community, it took four years before this seemingly non-controversial legislation was enacted into law. The National Rifle Association initially opposed it—that is, until the NRA realized that a large number of its members were themselves police officers who strongly supported banning these insidious bullets. Only then did the NRA lend its grudging support. The bill passed the Senate on March 6, 1986 by a vote of 97–1, and was signed by President Reagan on August 8, 1986 (Public Law 99–408).

That 1986 Act served us in good stead for 7 years. To the best of my knowledge, not a single law enforcement officer was shot with an armor-piercing bullet. Unfortunately, the ammunition manufacturers eventually found a way around the 1986 law. By 1993, a new Swedish-made armor-piercing round, the M39B, had appeared. This pernicious bullet evaded the 1986 statute's prohibition because of its unique composition. Like most common ammunition, it had a soft lead core, thus exempting it from the 1986 law. But this core was surrounded by a heavy steel jacket, solid enough to allow the bullet to penetrate body armor. Once again, our nation's law enforcement officers were at risk. Immediately upon learning of the existence of the new Swedish round, I introduced a bill to ban it.

Another protracted series of negotiations ensued before we were able to update the 1986 statute to cover the M39B. We did it with the support of law enforcement organizations, and with technical assistance from the Bureau of Alcohol, Tobacco and Firearms. In particular, James O. Pasco, Jr., then the Assistant Director of Congressional Affairs at BATF, worked closely with me and my staff to get it done. The bill passed the Senate by unanimous consent on November 19, 1993 as an amendment to the 1994 Crime Bill.

Despite these legislative successes, it was becoming evident that continuing ''innovations'' in bullet design would result in new armor-piercing rounds capable of evading the ban. It was at this time that some of us began to explore in earnest the idea of developing a new approach to banning these bullets based on their performance, rather than their physical characteristics. Mind, this concept was not entirely new; the idea had been discussed during our efforts in 1986, but the NRA had been immovable on the subject. The NRA's leaders, and their constituent ammunition manufactures, felt that any such broad-based ban based on a bullets ''performance standard'' would inevitably lead to the outlawing of additional classes of ammunition. They viewed it as a slippery slope, much as they have regarded the assault weapons ban as a slipper slope. The NRA had agreed to the 1986 and 1993 laws only because they were narrowly drawn to cover individual types of bullets.

And so in 1993 I asked the ATF for the technical assistance necessary tow write into law an armor-piercing bullet ''performance standard.'' At the time, however, the experts at the ATF informed us that this could not be done. They argued that it was simply too difficult to control for the many variables that contribute to a bullet's capability to penetrate police body armor. We were told that it might be possible in the future to develop a performance-based test for armor-piercing capability, but at the time we had to be content with the existing content-based approach.

Well. Two years passed and the Office of Law Enforcement Standards of the National Institute of Standard and Technology wrote a report describing the methodology for just such a armor-piercing bullet performance test. The report concluded that a test to determine armor-piercing capability could be developed within six months.

So we know it can be done, if only the agencies responsible for enforcing the relevant laws have the will. The legislation I am introducing requires the Secretary of the Treasury, in consultation with the Attorney General, to establish performance standards for the uniform testing of handgun ammunition. Such an objective standard will ensure that no rounds capable of penetrating police body armor, regardless of their composition, will ever be available to those who would use them against our law enforcement officers.

I wish to assure the Senate that this measure would in no way infringe upon the rights of legitimate hunters and sportsmen. It would not affect legitimate sporting ammunition used in rifles. It would only restrict the availability of armor-piercing rounds, for which no one can seriously claim there is a genuine sporting use. These cop-killer rounds have no legitimate uses, and they have no business being in the arsenals of criminals. They are designed for one purpose; to kill police officers.

The 1986 and 1993 cop-killer bullet laws I sponsored kept us one step ahead of the designers of new armor-piercing rounds. When the legislation I have introduced today is enacted—and I hope it will be early in the 106th Congress—it will put them out of the cop-killer bullet business permanently.

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

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

S. 152

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 ''Real Cost of Destructive Ammunition Act''.

SEC. 2. INCREASE IN TAX ON HANDGUN AMMUNITION.

(a) INCREASE IN MANUFACTURERS TAX.—

(1) IN GENERAL.—Section 4181 of the Internal Revenue Code of 1986 (relating to imposition of tax on firearms) is amended—

(A) by striking ''Shells, and cartridges.'' and inserting ''Shells and cartridges not taxable at 10,000 percent.'', and

(B) by adding at the end the following:

''ARTICLES TAXABLE AT 10,000 PERCENT.—

''Any jacketed, hollow point projectile which may be used in a handgun and the jacket of which is designed to produce, upon impact, evenly-spaced sharp or barb-like projections that extend beyond the diameter of the unfired projectile.''

(2) ADDITIONAL TAXES ADDED TO THE GENERAL FUND.—Section 3(a) of the Act of September 2, 1937 (16 U.S.C. 669b(a)), commonly referred to as the ''Pittman-Robertson Wildlife Restoration Act'', is amended by adding at the end the following new sentence: ''There shall not be covered into the fund the portion of the tax imposed by such section 4181 that is attributable to any increase in amounts received in the Treasury under such section by reason of the amendments made by section 2(a)(1) of the Real Cost of Destructive Ammunition Act, as estimated by the Secretary of the Treasury.''

SEC. 3. SPECIAL TAX FOR IMPORTERS, MANUFACTURERS, AND DEALERS OF HANDGUN AMMUNITION.

(a) IN GENERAL.—

(1) IMPOSITION OF TAX.—Section 5801 of the Internal Revenue Code of 1986 (relating to special occupational tax on importers, manufacturers, and dealers of machine guns, destructive devices, and certain other firearms) is amended by adding at the end the following:

''(c) SPECIAL RULE FOR HANDGUN AMMUNITION.—

''(1) IN GENERAL.—On 1st engaging in business and thereafter on or before July 1 of each year, every importer and manufacturer of handgun ammunition shall pay a special (occupational) tax for each place of business at the rate of $10,000 a year or fraction thereof.

''(2) HANDGUN AMMUNITION DEFINED.—For purposes of this part, the term 'handgun ammunition' shall mean any centerfire cartridge which has a cartridge case of less than 1.3 inches in length and any cartridge case which is less than 1.3 inches in length.''

(2) REGISTRATION OF IMPORTERS AND MANUFACTURERS OF HANDGUN AMMUNITION.—Section 5802 of the Internal Revenue Code of 1986 (relating to registration of importers, manufacturers, and dealers) is amended—

(A) in the first sentence, by inserting '', and each importer and manufacturer of handgun ammunition,'' after ''dealer in firearms'', and

(B) in the third sentence, by inserting '', and handgun ammunition operations of an importer or manufacturer,'' after ''dealer''.

(b) CONFORMING AMENDMENTS.—

(1) CHAPTER HEADING.—Chapter 53 of the Internal Revenue Code of 1986 (relating to machine guns, destructive devices, and certain other firearms) is amended in the chapter heading by inserting ''**HANDGUN AMMUNITION,**'' after ''**CHAPTER 53—**''.

(2) TABLE OF CHAPTERS.—The heading for chapter 53 in the table of chapters for subtitle E of such Code is amended to read as follows:

''Chapter 53—Handgun ammunition, machine guns, destructive devices, and certain other firearms.''

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on July 1, 1999.

(2) ALL TAXPAYERS TREATED AS COMMENCING IN BUSINESS ON JULY 1, 1997.—Any person engaged on July 1, 1999, in any trade or business which is subject to an occupational tax by reason of the amendment made by subsection (a)(1) shall be treated for purposes of such tax as having 1st engaged in a trade of business on such date.

S. 153

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 ''Destructive Ammunition Prohibition Act of 1999''.

SEC. 2. DEFINITION.

Section 921(a)(17) of title 18, United States Code, is amended by adding at the end the following:

''(D) The term 'destructive ammunition' means any jacketed, hollow point projectile that may be used in a handgun and the jacket of which is designed to produce, upon impact, sharp-tipped, barb-like projections that extend beyond the diameter of the unfired projectile.''.

SEC. 3. PROHIBITION.

Section 922(a) of title 18, United States Code, is amended—

(1) in paragraph (7), by inserting ''or destructive'' after ''armor piercing''; and

(2) in paragraph (8), by inserting ''or destructive'' after ''armor piercing''.

S. 154

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 ''Handgun Ammunition Control Act of 1999''.

SEC. 2. RECORDS OF DISPOSITION OF AMMUNITION.

(a) AMENDMENT OF TITLE 18, UNITED STATES CODE.—Section 923(g) of title 18, United States Code, is amended—

(1) in paragraph (1)(A), by inserting after the second sentence the following: ''Each licensed importer and manufacturer of ammunition shall maintain such records of importation, production, shipment, sale, or other disposition of ammunition at the place of business of such importer or manufacturer for such period and in such form as the Secretary may by regulations prescribe. Such records shall include the amount, caliber, and type of ammunition.''; and

(2) by adding at the end the following:

''(8) Each licensed importer or manufacturer of ammunition shall annually prepare a summary report of imports, production, shipments, sales, and other dispositions during the preceding year. The report shall be prepared on a form specified by the Secretary, shall include the amounts, calibers, and types of ammunition that were disposed of, and shall be forwarded to the office specified thereon not later than the close of business on the date specified by the Secretary.''.

(b) STUDY OF CRIMINAL USE AND REGULATION OF AMMUNITION.—The Secretary of the Treasury shall request the National Academy of Sciences to—

(1) prepare, in consultation with the Secretary, a study of the criminal use and regulation of ammunition; and

(2) submit to Congress, not later than July 31, 1998, a report with recommendations on the potential for preventing crime by regulating or restricting the availability of ammunition.

SEC. 3. INCREASE IN LICENSING FEES FOR MANUFACTURERS OF AMMUNITION.

Section 923(a)(1) of title 18, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (D) as subparagraphs (B) through (E), respectively; and

(2) by inserting before subparagraph (B), as redesignated, the following:

''(A) of .25 caliber, .32 caliber, or 9 mm ammunition, a fee of $10,000 per year;''.

S. 155

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 ''Violent Crime Control Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) there is no reliable information on the amount of ammunition available;

(2) importers and manufacturers of ammunition are not required to keep records to report to the Federal Government on ammunition imported, produced, or shipped;

(3) the rate of bullet-related deaths in the United States is unacceptably high and growing;

(4) three calibers of bullets are used disproportionately in crime: 9 millimeter, .25 caliber, and .32 caliber bullets;

(5) injury and death are greatest in young males, and particularly young black males;

(6) epidemiology can be used to study bullet-related death and injury to evaluate control options;

(7) bullet-related death and injury has placed increased stress on the American family resulting in increased welfare expenditures under title IV of the Social Security Act;

(8) bullet-related death and injury have contributed to the increase in medicaid expenditures under title XIX of the Social Security Act;

(9) bullet-related death and injury have contributed to increased supplemental security income benefits under title XVI of the Social Security Act;

(10) a tax on the sale of bullets will help control bullet-related death and injury;

(11) there is no central responsible agency for trauma, there is relatively little funding available for the study of bullet-related death and injury, and there are large gaps in research programs to reduce injury;

(12) current laws and programs relevant to the loss of life and productivity from bullet-related trauma are inadequate to protect the citizens of the United States; and

(13) increased research in bullet-related violence is needed to better understand the causes of such violence, to develop options for controlling such violence, and to identify and overcome barriers to implementing effective controls.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to increase the tax on the sale of 9 millimeter, .25 caliber, and .32 caliber bullets (except with respect to any sale to law enforcement agencies) as a means of reducing the epidemic of bullet-related death and injury;

(2) to undertake a nationally coordinated effort to survey, collect, inventory, synthesize, and disseminate adequate data and information for—

(A) understanding the full range of bullet-related death and injury, including impacts on the family structure and increased demands for benefit payments under provisions of the Social Security Act;

(B) assessing the rate and magnitude of change in bullet-related death and injury over time;

(C) educating the public about the extent of bullet-related death and injury; and

(D) expanding the epidemiologic approach to evaluate efforts to control bullet-related death and injury and other forms of violence;

(3) to develop options for controlling bullet-related death and injury;

(4) to build the capacity and encourage responsibility at the Federal, State, community, group, and individual levels for control and elimination of bullet-related death and injury; and

(5) to promote a better understanding of the utility of the epidemiologic approach for evaluating options to control or reduce death and injury from nonbullet-related violence.

TITLE I—BULLET DEATH AND INJURY CONTROL PROGRAM

SEC. 101. BULLET DEATH AND INJURY CONTROL PROGRAM.

(a) ESTABLISHMENT.—There is established within the Centers for Disease Control's National Center for Injury Prevention and Control (referred to as the ''Center'') a Bullet Death and Injury Control Program (referred to as the ''Program'').

(b) PURPOSE.—The Center shall conduct research into and provide leadership and coordination for—

(1) the understanding and promotion of knowledge about the epidemiologic basis for bullet-related death and injury within the United States;

(2) developing technically sound approaches for controlling, and eliminating, bullet-related deaths and injuries;

(3) building the capacity for implementing the options, and expanding the approaches to controlling death and disease from bullet-related trauma; and

(4) educating the public about the nature and extent of bullet-related violence.

(c) FUNCTIONS.—The functions of the Program shall be—

(1) to summarize and to enhance the knowledge of the distribution, status, and characteristics of bullet-related death and injury;

(2) to conduct research and to prepare, with the assistance of State public health departments—

(A) statistics on bullet-related death and injury;

(B) studies of the epidemic nature of bullet-related death and injury; and

(C) data on the status of the factors, including legal, socioeconomic, and other factors, that bear on the control of bullets and the eradication of the bullet-related epidemic;

(3) to publish information about bullet-related death and injury and guides for the practical use of epidemiological information, including publications that synthesize information relevant to national goals of understanding the bullet-related epidemic and methods for its control;

(4) to identify socioeconomic groups, communities, and geographic areas in need of study, develop a strategic plan for research necessary to comprehend the extent and nature of bullet-related death and injury, and determine what options exist to reduce or eradicate such death and injury;

(5) to provide for the conduct of epidemiologic research on bullet-related death and injury through grants, contracts, cooperative agreements, and other means, by Federal, State, and private agencies, institutions, organizations, and individuals;

(6) to make recommendations to Congress, the Bureau of Alcohol, Tobacco, and Firearms, and other Federal, State, and local agencies on the technical management of data collection, storage, and retrieval necessary to collect, evaluate, analyze, and disseminate information about the extent and nature of the bullet-related epidemic of death and injury as well as options for its control;

(7) to make recommendations to Congress, the Bureau of Alcohol, Tobacco, and Firearms, and other Federal, State, and local agencies, organizations, and individuals about options for actions to eradicate or reduce the epidemic of bullet-related death and injury;

(8) to provide training and technical assistance to the Bureau of Alcohol, Tobacco, and Firearms and other Federal, State, and local agencies regarding the collection and interpretation of bullet-related data; and

(9) to research and explore bullet-related death and injury and options for its control.

(d) ADVISORY BOARD.—

(1) IN GENERAL.—The Center shall have an independent advisory board to assist in setting the policies for and directing the Program.

(2) MEMBERSHIP.—The advisory board shall consist of 13 members, including—

(A) 1 representative from the Centers for Disease Control;

(B) 1 representative from the Bureau of Alcohol, Tobacco, and Firearms;

(C) 1 representative from the Department of Justice;

(D) 1 member from the Drug Enforcement Agency;

(E) 3 epidemiologists from universities or nonprofit organizations;

(F) 1 criminologist from a university or nonprofit organization;

(G) 1 behavioral scientist from a university or nonprofit organization;

(H) 1 physician from a university or nonprofit organization;

(I) 1 statistician from a university or nonprofit organization;

(J) 1 engineer from a university or nonprofit organization; and

(K) 1 public communications expert from a university or nonprofit organization.

(3) TERMS.—Members of the advisory board shall serve for terms of 5 years, and may serve more than 1 term.

(4) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(5) TRAVEL EXPENSES.—A member of the advisory board that is not otherwise in the Federal Government service shall, to the extent provided for in advance in appropriations Acts, be paid actual travel expenses and per diem in lieu of subsistence expenses in accordance with section 5703 of title 5, United States Code, when the member is away from the member's usual place of residence.

(6) CHAIR.—The members of the advisory board shall select 1 member to serve as chair.

(e) CONSULTATION.—The Center shall conduct the Program required under this section in consultation with the Bureau of Alcohol, Tobacco, and Firearms and the Department of Justice.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 2000, $2,500,000 for fiscal year 2001, and $5,000,000 for each of fiscal years 2002, 2003, and 2004 for the purpose of carrying out this section.

(g) REPORT.—The Center shall prepare an annual report to Congress on the Program's findings, the status of coordination with other agencies, its progress, and problems encountered with options and recommendations for their solution. The report for December 31, 2000, shall contain options and recommendations for the Program's mission and funding levels for the fiscal years 2000 through 2004, and beyond.

TITLE II—INCREASE IN EXCISE TAX ON CERTAIN BULLETS

SEC. 201. INCREASE IN TAX ON CERTAIN BULLETS.

(a) IN GENERAL.—Section 4181 of the Internal Revenue Code of 1986 (relating to the imposition of tax on firearms, etc.) is amended by adding at the end the following:

''In the case of 9 millimeter, .25 caliber, or .32 caliber ammunition, the rate of tax under this section shall be 1,000 percent.''.

(b) EXEMPTION FOR LAW ENFORCEMENT PURPOSES.—Section 4182 of the Internal Revenue Code of 1986 (relating to exemptions) is amended by adding at the end the following:

''(d) LAW ENFORCEMENT.—The last sentence of section 4181 shall not apply to any sale (not otherwise exempted) to, or for the use of, the United States (or any department, agency, or instrumentality thereof) or a State or political subdivision thereof (or any department, agency, or instrumentality thereof).''.

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

TITLE III—USE OF AMMUNITION

SEC. 301. RECORDS OF DISPOSITION OF AMMUNITION.

(a) AMENDMENT OF TITLE 18, UNITED STATES CODE.—Section 923(g) of title 18, United States Code, is amended—

(1) in paragraph (1)(A), by inserting after the second sentence the following: ''Each licensed importer and manufacturer of ammunition shall maintain such records of importation, production, shipment, sale, or other disposition of ammunition at the licensee's place of business for such period and in such form as the Secretary, in consultation with the Director of the National Center for Injury Prevention and Control of the Centers for Disease Control (for the purpose of ensuring that the information that is collected is useful for the Bullet Death and Injury Control Program), may by regulation prescribe. Such records shall include the amount, caliber, and type of ammunition.''; and

(2) by adding at the end the following:

''(8) Each licensed importer or manufacturer of ammunition shall annually prepare a summary report of imports, production, shipments, sales, and other dispositions during the preceding year. The report shall be prepared on a form specified by the Secretary, in consultation with the Director of the National Center for Injury Prevention and Control of the Centers for Disease Control (for the purpose of ensuring that the information that is collected is useful for the Bullet Death and Injury Control Program), shall include the amounts, calibers, and types of ammunition that were disposed of, and shall be forwarded to the office specified thereon not later than the close of business on the date specified by the Secretary.''.

(b) STUDY OF CRIMINAL USE AND REGULATION OF AMMUNITION.—The Secretary of the Treasury shall request the Centers for Disease Control to—

(1) prepare, in consultation with the Secretary, a study of the criminal use and regulation of ammunition; and

(2) submit to Congress, not later than July 31, 1998, a report with recommendations on the potential for preventing crime by regulating or restricting the availability of ammunition.

S. 156

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 ''Violent Crime Reduction Act of 1999''.

SEC. 2. UNLAWFUL ACTS.

Section 922(a) of title 18, United States Code, is amended—

(1) by in paragraph (7), by striking ''and'' at the end;

(2) by in paragraph (8), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

''(9) for any person to manufacture, transfer, or import .25 or .32 caliber or 9 millimeter ammunition, except that this paragraph shall not apply to—

''(A) the manufacture or importation of such ammunition for the use of the United States or any department or agency thereof or any State or any department, agency, or political subdivision thereof; and

''(B) any manufacture or importation for testing or for experimenting authorized by the Secretary; and

''(10) for any manufacturer or importer to sell or deliver .25 or .32 caliber or 9 millimeter ammunition, except that this paragraph shall not apply to—

''(A) the sale or delivery by a manufacturer or importer of such ammunition for the use of the United States or any department or agency thereof or any State or any department, agency, or political subdivision thereof; and

''(B) the sale or delivery by a manufacturer or importer of such ammunition for testing or for experimenting authorized by the Secretary.''.

SEC. 3. LICENSING OF DESTRUCTIVE DEVICES.

Section 923(a)(1)(A) of title 18, United States Code, is amended to read as follows:

''(A) of destructive devices, ammunition for destructive devices, armor piercing ammunition, or .25 or .32 caliber or 9 millimeter ammunition, a fee of $1,000 per year;''.

SEC. 4. LICENSING OF NONDESTRUCTIVE DEVICES.

Section 923(a)(1)(C) of title 18, United States Code, is amended to read as follows:

''(C) of ammunition for firearms other than destructive devices, or armor piercing or .25 or .32 caliber or 9 millimeter ammunition for any firearm, a fee of $10 per year.''.

SEC. 5. IMPORTERS.

Section 923(a)(2) of title 18, United States Code, is amended to read as follows:

''(2) If the applicant is an importer—

''(A) of destructive devices, ammunition for destructive devices, or armor piercing or .25 or .32 caliber or 9 millimeter ammunition for any firearm, a fee of $1,000 per year; or

''(B) of firearms other than destructive devices or ammunition for firearms other than destructive devices, or ammunition other than armor piercing or .25 or .32 caliber or 9 millimeter ammunition for any firearm, a fee of $50 per year.''.

SEC. 6. MARKING AMMUNITION AND PACKAGES.

Section 923 of title 18, United States Code, is amended by adding at the end the following:

''(m) Licensed importers and licensed manufacturers shall mark all .25 and .32 caliber and 9 millimeter ammunition and packages containing such ammunition for distribution, in the manner prescribed by the Secretary by regulation.''.

SEC. 7. USE OF RESTRICTED AMMUNITION.

Section 929(a)(1) of title 18, United States Code, is amended by—

(1) inserting '', or with .25 or .32 caliber or 9 millimeter ammunition,'' after ''possession of armor piercing ammunition''; and

(2) inserting '', or .25 or .32 caliber or 9 millimeter ammunition,'' after ''armor-piercing handgun ammunition''.

SEC. 8. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on the first day of the first calendar month that begins more than 90 days after the date of enactment of this Act.

S. 157

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 ''Real Cost of Handgun Ammunition Act of 1999''.

SEC. 2. INCREASE IN TAX ON CERTAIN BULLETS.

(a) IN GENERAL.—Section 4181 of the Internal Revenue Code of 1986 (relating to the imposition of tax on firearms, etc.) is amended by adding at the end the following new flush sentence:

''In the case of 9 millimeter, .25 caliber, or .32 caliber ammunition, the rate of tax under this section shall be 1,000 percent.''

(b) EXEMPTION FOR LAW ENFORCEMENT PURPOSES.—Section 4182 of the Internal Revenue Code of 1986 (relating to exemptions) is amended by adding at the end the following new subsection:

''(d) LAW ENFORCEMENT.—The last sentence of section 4181 shall not apply to any sale (not otherwise exempted) to, or for the use of, the United States (or any department, agency, or instrumentality thereof) or a State or political subdivision thereof (or any department, agency, or instrumentality thereof).''

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

S. 158

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 ''Law Enforcement Officers Protection Amendment Act of 1999''.

SEC. 2. EXPANSION OF THE DEFINITION OF ARMOR PIERCING AMMUNITION.

Section 921(a)(17)(B) of title 18, United States Code, is amended—

(1) by striking ''or'' at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting ''; or''; and

(3) by adding at the end the following:

''(iii) a projectile that may be used in a handgun and that the Secretary of the Treasury, in consultation with the Attorney General determines, pursuant to section 926(d), to be capable of penetrating body armor.''.

SEC. 3. DETERMINATION OF ARMOR PIERCING CAPABILITY OF PROJECTILES.

Section 926 of title 18, United States Code, is amended by adding at the end the following:

''(d) Not later than 1 year after the date of enactment of this subsection, the Secretary shall promulgate regulations based on standards to be developed by the Secretary of the Treasury, in consultation with the Attorney General, for the uniform testing of projectiles to determine whether such projectiles are capable of penetrating National Institute of Justice Level II–A body armor.''.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for the Secretary of the Treasury and the Attorney General to—

(1) develop and implement performance standards for armor piercing ammunition; and

(2) promulgate regulations for performance standards for armor piercing ammunition.

By Mr. MOYNIHAN:

S. 159. A bill to amend chapter 121 of title 28, United States Code, to increase fees paid to Federal jurors, and for other purposes; to the Committee on the Judiciary.

INCREASE THE FEES PAID TO FEDERAL JURORS

Mr. MOYNIHAN. Mr. President, today I rise to introduce a bill aimed at raising the fee Federal jurors are paid to that of $45.00 per day. According to the current statute, Federal jurors are paid $40.00 per day for the first thirty days of a trial and $50.00 for each day thereafter. They also receive $3.00 a day for transportation costs. The $40.00 per day a juror receives for his or her all day service is below the prevailing minimum wage, and the daily $3.00 transportation fee falls far below that required for parking or riding a bus or the subway.

These inadequate sums place an undue hardship on those jurors who most need compensation: the self-employed, the commissioned, the temporary workers, and those who work for small employers often making it difficult for litigants to have representative jury panels. While undue hardship is often grounds for deferral or excusal from jury duty, it is important that we limit the financial hardship for those of our citizens engaged in this most important civic duty.

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

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

S. 159

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

SECTION 1. JUROR FEES.

Section 1871(b)(1) of title 28, United States Code, is amended by striking ''of $40 per day'' and inserting ''$45 per day.''

By Mr. MOYNIHAN:

S. 160. A bill to authorize the Architect of the Capitol to develop and implement a plan to improve the Capitol grounds through the elimination and modification of space alloted for parking; to the Committee on Rules and Administration.

ARC OF PARK CAPITOL GROUNDS IMPROVEMENT ACT OF 1999

Mr. MOYNIHAN. Mr. President, just over 98 years ago, in March 1901, the

Senate Committee on the District of Columbia was directed by Senate Resolution to ''report to the Senate plans for the development and improvement of the entire park system of the District of Columbia * * * (F)or the purpose of preparing such plans the committee * * * may secure the services of such experts as may be necessary for a proper consideration of the subject.''

And secure ''such experts'' the committee assuredly did. The Committee formed what came to be known as the McMillan Commission, named for committee chairman, Senator James McMillan of Michigan. The Commission's membership was a ''who's who'' of late 19th and early 20th century architecture, landscape design, and art: Daniel Burnham, Frederick Law Olmsted, Jr., Charles F. McKim, and Augustus St. Gaudens. The Commission traveled that summer to Rome, Venice, Vienna, Budapest, Paris, and London, studying the landscapes, architecture, and public spaces of the grandest cities in the world. The McMillan Commission returned and fashioned the city of Washington as we now know it.

We are particularly indebted today for the Commission's preservation of the Mall. When the members left for Europe, the Congress had just given the Pennsylvania Railroad a 400-foot wide swath of the Mall for a new station and trackage. It is hard to imagine our city without the uninterrupted stretch of greenery from the Capitol to the Washington Monument, but such would have been the result. Fortunately, when in London, Daniel Burnham was able to convince Pennsylvania Railroad president Cassatt that a site on Massachusetts Avenue would provide a much grander entrance to the city. President Cassatt assented and Daniel Burnham gave us Union Station.

But the focus of the Commission's work was the District's park system. The Commission noted in its report:

> Aside from the pleasure and the positive benefits to health that the people derive from public parks, in a capital city like Washington there is a distinct use of public spaces as the indispensable means of giving dignity to Government buildings and of making suitable connections between the great departments . . . (V)istas and axes; sites for monuments and museums; parks and pleasure gardens; fountains and canals; in a word all that goes to make a city a magnificent and consistent work of art were regarded as essential in the plans made by L'Enfant under the direction of the first President and his Secretary of State.

Washington and Jefferson might be disappointed at the affliction now imposed on much of the Capitol Grounds by the automobile.

Despite the ready and convenient availability of the city's Metrorail system, an extraordinary number of Capitol Hill employees drive to work. No doubt many must. But must we provide free parking? If there is one lesson learned from the Intermodal Surface Transportation Efficiency Act of 1991, it is that free goods are always wasted. Free parking is a most powerful incentive to drive to work when the alternative is to pay for public transportation. Furthermore, much as expenses rise to meet income, newly provided parking spaces are instantly filled. At the foot of Pennsylvania Avenue is a scar of angle-parked cars, in parking spaces made available temporarily during construction of the Thurgood Marshall Federal Judiciary Building. Once completed, spaces in the building's garage would be made available to Senate employees and Pennsylvania Avenue would be restored. Not so. The demand for spaces has simply risen to meet the available supply, and the unit block of the Nation's main street remains a disaster.

Today, I am introducing legislation to improve the Capitol Grounds through the near-complete elimination of surface parking. As the Architect of the Capitol eliminates these unsightly lots, they will be reconstructed as public parks, landscaped in the fashion of the Capitol Grounds. I envision what I call an arc of park sweeping around the Capitol from Second Street, Northeast, around to the Capitol Reflecting Pool, and thence back to First Street, Southeast. Delaware Avenue between Columbus Circle and Constitution Avenue would be closed to traffic and rebuilt as a pedestrian walkway, a grand pathway to the Capitol from Union Station.

Finally, there is still the matter of parking. This legislation authorizes the Architect of the Capitol to construct underground parking facilities, as needed. These facilities, which will undoubtedly be expensive, will be financed simply by charging for the parking, a legitimate user fee.

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

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

S. 160

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 ''Arc of Park Capitol Grounds Improvement Act of 1999''.

SEC. 2. CAPITOL GROUNDS IMPROVEMENT PLAN.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Architect of the Capitol shall develop and begin implementation of a comprehensive plan (referred to as the ''comprehensive plan'') for the improvement of the grounds of the United States Capitol as described in section 193a of title 40, United States Code.

(b) ARC OF PARK.—The comprehensive plan shall—

(1) be consistent with the 1981 Report on the ''Master Plan for the Future Development of the Capitol Grounds and Related Areas'' prepared in accordance with Public Law 94–59 (July 25, 1975); and

(2) result in an ''arc of park'' sweeping from Second Street, Northeast to the Capitol Reflecting Pool to First Street, Southeast, with the Capitol Building as its approximate center.

(c) DETAILS.—The comprehensive plan shall provide for, at a minimum—

(1) elimination of all current surface parking areas, excepting those areas which provide on-street parallel parking spaces;

(2) replacement of off-street surface parking areas with public parks landscaped in a fashion appropriate to the United States Capitol grounds;

(3) reconstruction of Delaware Avenue, Northeast, between Columbus Circle and Constitution Avenue as a thoroughfare available principally to pedestrians as contemplated by the Master Plan;

(4) elimination of all but parallel parking on Pennsylvania Avenue, between First and Third Streets, Northwest;

(5) to the greatest extent practical, continuation of the Pennsylvania Avenue tree line onto United States Capitol Grounds and implementation of other appropriate landscaping measures necessary to conform Pennsylvania Avenue between First and Third Streets, Northwest, to the aesthetic guidelines adopted by the Pennsylvania Avenue Development Corporation;

(6) closure of Maryland Avenue to through traffic between First and Third Streets, Southwest, consistent with appropriate access to and visitor parking for the United States Botanic Garden; and

(7) construction of additional underground parking facilities, as needed, with—

(A) the cost of construction and operation of such parking facilities defrayed to the greatest extent practical by charging appropriate usage fees, including time-of-day fees; and

(B) the parking facilities being made available to the general public, with priority given to employees of the Congress.

SEC. 3. APPLICABLE LOCAL LAW.

(a) IN GENERAL.—Subject to subsection (b), the construction and operation of any improvements under this Act shall not be subject to—

(1) any law of the District of Columbia or any State or locality relating to taxes on sales, real estate, personal property, special assessments, uses, or any other interest or transaction (including Federal law); or

(2) any law of the District of Columbia relating to use, occupancy, or construction, including building costs, permits, or inspection requirements (including Federal law).

(b) LIMITATION.—The Architect of the Capitol shall comply with appropriate recognized national life safety and building codes in undertaking such construction and operation.

SEC. 4. RESPONSIBILITIES OF THE ARCHITECT OF THE CAPITOL.

The Architect of the Capitol—

(1) shall be responsible for the structural, mechanical, and custodial care and maintenance of the facilities constructed under this Act and may discharge such responsibilities directly or by contract; and

(2) may permit the extension of steam and chilled water from the Capitol Power Plant on a reimbursable basis to any facilities or improvements constructed under this Act as a cost of such improvements.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. MOYNIHAN:

S. 161. A bill to provide for a transition to market-based rates for power

sold by the Federal Power Marketing Administrations and the Tennessee Valley Authority, and for other purposes; to the Committee on Energy and Natural Resources.

POWER MARKETING ADMINISTRATION REFORM ACT OF 1999

Mr. MOYNIHAN. Mr. President, I rise to introduce the Power Marketing Administration Reform Act of 1999, a bill to require that the Federal Power Marketing Administrations (PMAs) and the Tennessee Valley Authority (TVA) sell electricity at market rates and recover all costs.

Mr. President, in 1935 only 15 percent of rural Americans had access to electricity. President Roosevelt's administration established the PMAs to sell power to rural Americans below market rates because so many rural areas could not afford to install the transmission and generation equipment required to provide electricity. Commencement of the massive public works projects such as TVA filled a desperate need for jobs during the Depression years and brought electricity to the many areas of our country which lacked access to this most basic amenity of modern life.

The PMAs served an essential function in lifting our nation out of the Depression, Mr. President, but that time has passed. Sixty years after its inception, public power is less expensive and more accessible than ever before. The discounted rates provided by public power are a benefit which goes to a relatively few recipients at a tremendous expense to the American taxpayer. Nearly 60 percent of Federal sales go to just four states: Tennessee, Alabama, Washington, and Oregon. PMAs have failed to recover their operating costs for too long, and it is taxpayers who bear the cost of the discrepancy between cost of generation and consumer rates. This discrepancy has brought about a fiscal shortfall and significant environmental damage.

Reports over past years from the General Accounting Office (GAO), the Congressional Budget Office (CBO), and the Inspector General of the U.S. Department of Energy confirm this view. In 1997, for instance, the GAO reported that the Bonneville Power Administration, the Rural Utilities Service, and three other PMAs cost American taxpayers $2.5 billion in fiscal year 1996. In March 1998 the GAO showed that the Federal government incurred a net cost of $1.5 billion from electricity-related activities in the Southeastern, Southwestern, and Western PMAs between 1992 and 1996. Up to $1.4 billion of the approximately $7 billion of Federal investment in assets derived from electricity-related activities in these PMAs is at risk of nonrecovery.

The GAO has also reported on fairness in lending to the PMAs. The Federal Treasury incurs approximately 9 percent in debt when lending to the PMAs, but recovers only 3.5 percent from the PMAs on their outstanding debt. This is a loss to the U.S. Treasury of 5.5 percent on interest payments alone. It is taxpayers who are required to account for this interest shortfall.

Mr. President, my bill would provide for full cost recovery rates for power sold by the PMAs and the TVA. Under the bill, PMA and TVA rates would be recalculated to conform to market rates and be resubmitted to the Federal Energy Regulatory Commission (FERC) for approval. The bill would also require that PMA and TVA transmission facilities are subject to open-access regulation by the FERC, and that FERC would be authorized to revise such rates when necessary to maintain a competitive environment. Cooperatives and public power entities will be given the right of first refusal of PMA and TVA power at market prices. Revenue accrued from the revisal of these rates will go first to the U.S. Treasury to recover all costs. The residual amount will then be disbursed by formula to the Treasury to mitigate damage to the environment attributed to the operation of PMAs and the TVA, and to support renewable electricity generating resources.

Mr. President, the time has come for public power to be held accountable for the use of public dollars. I urge my colleagues to join me in supporting this legislation.

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

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

S. 161

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 ''Power Marketing Administration Reform Act of 1999''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the use of fixed allocations of joint multipurpose project costs and the failure to provide for the recovery of actual interest costs and depreciation have resulted in—

(A) substantial failures to recover costs properly recoverable through power rates by the Federal Power Marketing Administrations and the Tennessee Valley Authority; and

(B) the imposition of unreasonable burdens on the taxpaying public;

(2) existing underallocations and underrecovery of costs have led to inefficiencies in the marketing of Federally generated electric power and to environmental damage; and

(3) with the emergence of open access to power transmission and competitive bulk power markets, market prices will provide the lowest reasonable rates consistent with—

(A) sound business principles;

(B) maximum recovery of costs properly allocated to power production; and

(C) encouraging the most widespread use of power marketed by the Federal Power Marketing Administrations and the Tennessee Valley Authority.

(b) PURPOSES.—The purposes of this Act are to provide for—

(1) full cost recovery rates for power sold by the Federal Power Marketing Administrations and the Tennessee Valley Authority; and

(2) a transition to market-based rates for the power.

SEC. 3. SALE OR DISPOSITION OF FEDERAL POWER BY FEDERAL POWER MARKETING ADMINISTRATIONS AND THE TENNESSEE VALLEY AUTHORITY.

(a) ACCOUNTING.—Notwithstanding any other provision of law, as soon as practicable after the date of enactment of this Act, the Secretary of Energy, in consultation with the Federal Energy Regulatory Commission, shall develop and implement procedures to ensure that the Federal Power Marketing Administrations and the Tennessee Valley Authority use the same accounting principles and requirements (including the accounting principles and requirements with respect to the accrual of actual interest costs during construction and pending repayment for any project and recognition of depreciation expenses) as are applied by the Commission to the electric operations of public utilities.

(b) DEVELOPMENT AND SUBMISSION OF RATES TO THE COMMISSION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, not later than 1 year after the date of enactment of this Act and periodically thereafter but not less frequently than once every 5 years, each Federal Power Marketing Administration and the Tennessee Valley Authority shall submit to the Federal Energy Regulatory Commission a description of proposed rates for the sale or disposition of Federal power that will ensure the recovery of all costs incurred by the Federal Power Marketing Administration or the Tennessee Valley Authority, respectively, for the generation and marketing of the Federal power.

(2) COSTS TO BE RECOVERED.—The costs to be recovered under paragraph (1)—

(A) shall include all fish and wildlife expenditures required under treaty and legal obligations associated with the construction and operation of the facilities from which the Federal power is generated and sold; and

(B) shall not include any cost of transmitting the Federal power.

(c) COMMISSION REVIEW, APPROVAL, OR MODIFICATION.—

(1) IN GENERAL.—The Federal Energy Regulatory Commission shall review and either approve or modify rates for the sale or disposition of Federal power submitted to the Commission by each Federal Power Marketing Administration and the Tennessee Valley Authority under this section, in a manner that ensures that the rates will recover all costs described in subsection (b)(2).

(2) BASIS FOR REVIEW.—The review by the Commission under paragraph (1) shall be based on the record of proceedings before the Federal Power Marketing Administration or the Tennessee Valley Authority, except that the Commission shall afford all affected persons an opportunity for an additional hearing in accordance with the procedures established for ratemaking by the Commission under the Federal Power Act (16 U.S.C. 791a et seq.).

(d) APPLICATION OF RATES.—

(1) IN GENERAL.—Beginning on the date of approval or modification by the Commission of rates under this section, each Federal Power Marketing Administration and the Tennessee Valley Authority shall apply the rates, as approved or modified by the Commission, to each existing contract for the

sale or disposition of Federal power by the Federal Power Marketing Administration or the Tennessee Valley Authority to the maximum extent permitted by the contract.

(2) APPLICABILITY.—This section shall cease to apply to a Federal Power Marketing Administration or the Tennessee Valley Authority as of the date of termination of all commitments under any contract for the sale or disposition of Federal power that were in existence as of the date of enactment of this Act.

(e) ACCOUNTING PRINCIPLES AND REQUIREMENTS.—In developing or reviewing the rates required by this section, the Federal Power Marketing Administrations, the Tennessee Valley Authority, and the Commission shall rely on the accounting principles and requirements developed under subsection (a).

(f) INTERIM RATES.—Until market pricing for the sale or disposition of Federal power by a Federal Power Marketing Administration or the Tennessee Valley Authority is fully implemented, the full cost recovery rates required by this section shall apply to—

(1) a new contract entered into after the date of enactment of this Act for the sale of power by a Federal Power Marketing Administrator or the Tennessee Valley Authority; and

(2) a renewal after the date of enactment of this Act of an existing contract for the sale of power by a Federal Power Marketing Administration or the Tennessee Valley Authority.

(g) TRANSITION TO MARKET-BASED RATES.—

(1) IN GENERAL.—If the transition to full cost recovery rates would result in rates that exceed market rates, the Secretary of Energy may approve rates for power sold by Federal Power Marketing Administrations at market rates, and the Tennessee Valley Authority may approve rates for power sold by the Tennessee Valley Authority at market rates, if—

(A) operation and maintenance costs are recovered, including all fish and wildlife costs required under existing treaty and legal obligations;

(B) the contribution toward recovery of investment pertaining to power production is maximized; and

(C) purchasers of power under existing contracts consent to the remarketing by the Federal Power Marketing Administration or the Tennessee Valley Authority of the power through competitive bidding not later than 3 years after the approval of the rates.

(2) COMPETITIVE BIDDING.—Competitive bidding shall be used to remarket power that is subject to, but not sold in accordance with, paragraph (1).

(h) MARKET-BASED PRICING.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary of Energy shall develop and implement procedures to ensure that all power sold by Federal Power Marketing Administrations and the Tennessee Valley Authority is sold at prices that reflect demand and supply conditions within the relevant bulk power supply market.

(2) BID AND AUCTION PROCEDURES.—The Secretary of Energy shall establish by regulation bid and auction procedures to implement market-based pricing for power sold under any power sales contract entered into by a Federal Power Marketing Administration or the Tennessee Valley Authority after the date that is 2 years after the date of enactment of this Act, including power that is under contract but that is declined by the party entitled to purchase the power and remarketed after that date.

(i) USE OF REVENUE COLLECTED THROUGH MARKET-BASED PRICING.—

(1) IN GENERAL.—Revenue collected through market-based pricing shall be disposed of as follows:

(A) REVENUE FOR OPERATIONS, FISH AND WILDLIFE, AND PROJECT COSTS.—Revenue shall be remitted to the Secretary of the Treasury to cover—

(i) all power-related operations and maintenance expenses;

(ii) all fish and wildlife costs required under existing treaty and legal obligations; and

(iii) the project investment cost pertaining to power production.

(B) REMAINING REVENUE.—Revenue that remains after remission to the Secretary of the Treasury under subparagraph (A) shall be disposed of as follows:

(i) FEDERAL BUDGET DEFICIT.—50 percent of the revenue shall be remitted to the Secretary of the Treasury for the purpose of reducing the Federal budget deficit.

(ii) FUND FOR ENVIRONMENTAL MITIGATION AND RESTORATION.—35 percent of the revenue shall be deposited in the fund established under paragraph (2)(A).

(iii) FUND FOR RENEWABLE RESOURCES.—15 percent of the revenue shall be deposited in the fund established under paragraph (3)(A).

(2) FUND FOR ENVIRONMENTAL MITIGATION AND RESTORATION.—

(A) ESTABLISHMENT.—

(i) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the ''Fund for Environmental Mitigation and Restoration'' (referred to in this paragraph as the ''Fund''), consisting of funds allocated under paragraph (1)(B)(ii).

(ii) ADMINISTRATION.—The Fund shall be administered by a Board of Directors consisting of the Secretary of the Interior, the Secretary of Energy, and the Administrator of the Environmental Protection Agency, or their designees.

(B) USE.—Amounts in the Fund shall be available for making expenditures—

(i) to carry out project-specific plans to mitigate damage to, and restore the health of, fish, wildlife, and other environmental resources that is attributable to the construction and operation of the facilities from which power is generated and sold; and

(ii) to cover all costs incurred in establishing and administering the Fund.

(C) PROJECT-SPECIFIC PLANS.—

(i) IN GENERAL.—The Board of Directors of the Fund shall develop a project-specific plan described in subparagraph (B)(i) for each project that is used to generate power marketed by the Federal Power Marketing Administration or the Tennessee Valley Authority.

(ii) USE OF EXISTING DATA, INFORMATION, AND PLANS.—In developing plans under clause (i), the Board, to the maximum extent practicable, shall rely on existing data, information, and mitigation and restoration plans developed by—

(I) the Commissioner of the Bureau of Reclamation;

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

(III) the Administrator of the Environmental Protection Agency; and

(IV) the heads of other Federal, State, and tribal agencies.

(D) MAXIMUM AMOUNT.—

(i) IN GENERAL.—The Fund shall maintain a balance of not more than $200,000,000 in excess of the amount that the Board of Directors of the Fund determines is necessary to cover the costs of project-specific plans required under this paragraph.

(ii) SURPLUS REVENUE FOR DEFICIT REDUCTION.—Revenue that would be deposited in the Fund but for the absence of such project-specific plans shall be used by the Secretary of the Treasury for purposes of reducing the Federal budget deficit.

(3) FUND FOR RENEWABLE RESOURCES.—

(A) ESTABLISHMENT.—

(i) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the ''Fund for Renewable Resources'' (referred to in this paragraph as the ''Fund''), consisting of funds allocated under paragraph (1)(B)(iii).

(ii) ADMINISTRATION.—The Fund shall be administered by the Secretary of Energy.

(B) USE.—Amounts in the Fund shall be available for making expenditures—

(i) to pay the incremental cost (above the expected market cost of power) of nonhydroelectric renewable resources in the region in which power is marketed by a Federal Power Marketing Administration; and

(ii) to cover all costs incurred in establishing and administering the Fund.

(C) ADMINISTRATION.—Amounts in the Fund shall be expended only—

(i) in accordance with a plan developed by the Secretary of Energy that is designed to foster the development of nonhydroelectric renewable resources that show substantial long-term promise but that are currently too expensive to attract private capital sufficient to develop or ascertain their potential; and

(ii) on recipients chosen through competitive bidding.

(D) MAXIMUM AMOUNT.—

(i) IN GENERAL.—The Fund shall maintain a balance of not more than $50,000,000 in excess of the amount that the Secretary of Energy determines is necessary to carry out the plan developed under subparagraph (C)(i).

(ii) SURPLUS REVENUE FOR DEFICIT REDUCTION.—Revenue that would be deposited in the Fund but for the absence of the plan shall be used by the Secretary of the Treasury for purposes of reducing the Federal budget deficit.

(j) PREFERENCE.—

(1) IN GENERAL.—In making allocations or reallocations of power under this section, a Federal Power Marketing Administration and the Tennessee Valley Authority shall provide a preference for public bodies and cooperatives by providing a right of first refusal to purchase the power at market prices.

(2) USE.—

(A) IN GENERAL.—Power purchased under paragraph (1)—

(i) shall be consumed by the preference customer or resold for consumption by the constituent end-users of the preference customer; and

(ii) may not be resold to other persons or entities.

(B) TRANSMISSION ACCESS.—In accordance with regulations of the Federal Energy Regulatory Commission, a preference customer shall have transmission access to power purchased under paragraph (1).

(3) COMPETITIVE BIDDING.—If a public body or cooperative does not purchase power under paragraph (1), the power shall be allocated to the next highest bidder.

(k) REFORMS.—The Secretary of Energy shall require each Federal Power Marketing Administration to implement—

(1) program management reforms that require the Federal Power Marketing Administration to assign personnel and incur expenses only for authorized power marketing, reclamation, and flood control activities and

not for ancillary activities (including consulting or operating services for other entities); and

(2) annual reporting requirements that clearly disclose to the public, the activities of the Federal Power Marketing Administration (including the full cost of the power projects and power marketing programs).

(l) CONTRACT RENEWAL.—Effective beginning on the date of enactment of this Act, a Federal Power Marketing Administration shall not enter into or renew any power marketing contract for a term that exceeds 5 years.

(m) RESTRICTIONS.—Except for the Bonneville Power Administration, each Federal Power Marketing Administration shall be subject to the restrictions on the construction of transmission and additional facilities that are established under section 5 of the Act entitled ''An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes'', approved December 22, 1944 (commonly known as the ''Flood Control Act of 1944'') (58 Stat. 890)).

SEC. 4. TRANSMISSION SERVICE PROVIDED BY FEDERAL POWER MARKETING ADMINISTRATIONS AND TENNESSEE VALLEY AUTHORITY.

(a) IN GENERAL.—Subject to subsection (b), a Federal Power Marketing Administration and the Tennessee Valley Authority shall provide transmission service on an open access basis, and at just and reasonable rates approved or established by the Federal Energy Regulatory Commission under part II of the Federal Power Act (16 U.S.C. 824 et seq.), in the same manner as the service is provided under Commission rules by any public utility subject to the jurisdiction of the Commission under that part.

(b) EXPANSION OF CAPABILITIES OR TRANSMISSIONS.—Subsection (a) does not require a Federal Power Marketing Administration or the Tennessee Valley Authority to expand a transmission or interconnection capability or transmission.

SEC. 5. INTERIM REGULATION OF POWER RATE SCHEDULES OF FEDERAL POWER MARKETING ADMINISTRATIONS.

(a) IN GENERAL.—During the date beginning on the date of enactment of this Act and ending on the date on which market-based pricing is implemented under section 3 (as determined by the Federal Energy Regulatory Commission), the Commission may review and approve, reject, or revise power rate schedules recommended for approval by the Secretary of Energy, and existing rate schedules, for power sales by a Federal Power Marketing Administration.

(b) BASIS FOR APPROVAL.—In evaluating rates under subsection (a), the Federal Energy Regulatory Commission, in accordance with section 3, shall—

(1) base any approval of the rates on the protection of the public interest; and

(2) undertake to protect the interest of the taxpaying public and consumers.

(c) COMMISSION ACTIONS.—As the Federal Energy Regulatory Commission determines is necessary to protect the public interest in accordance with section 3 until a full transition is made to market-based rates for power sold by Federal Power Marketing Administrations, the Federal Energy Regulatory Commission may—

(1) review the factual basis for determinations made by the Secretary of Energy;

(2) revise or modify those findings as appropriate;

(3) revise proposed or effective rate schedules; or

(4) remand the rate schedules to the Secretary of Energy.

(d) REVIEW.—An affected party (including a taxpayer, bidder, preference customer, or affected competitor) may seek a rehearing and judicial review of a final decision of the Federal Energy Regulatory Commission under this section in accordance with section 313 of the Federal Power Act (16 U.S.C. 825*l*).

(e) PROCEDURES.—The Federal Energy Regulatory Commission shall by regulation establish procedures to carry out this section.

SEC. 6. CONFORMING AMENDMENTS.

(a) TRANSFERS FROM THE DEPARTMENT OF THE INTERIOR.—Section 302(a)(3) of the Department of Energy Organization Act (42 U.S.C. 7152(a)(3)) is amended by striking the last sentence.

(b) USE OF FUNDS TO STUDY NONCOST-BASED METHODS OF PRICING HYDROELECTRIC POWER.—Section 505 of the Energy and Water Development Appropriations Act, 1993 (42 U.S.C. 7152 note; 106 Stat. 1343) is repealed.

SEC. 7. APPLICABILITY.

Except as provided in section 3(l), this Act shall apply to a power sales contract entered into by a Federal Power Marketing Administration or the Tennessee Valley Authority after July 23, 1997.

By Mr. BREAUX:

S. 163. A bill to amend the Internal Revenue Code of 1986 to allow certain coins to be acquired by individual retirement accounts and other individually directed pension plan accounts; to the Committee on Finance.

CERTIFIED U.S. LEGAL TENDER COINS ALLOWED IN IRAS

Mr. BREAUX. Mr. President, I rise today to introduce legislation allowing certain U.S. legal tender coins to be qualified investments for an individual retirement account (IRA).

Congress excluded ''collectibles'', such as antiques, gold and silver bullion, and legal tender coinage, as appropriate for contribution to IRAs in 1981. The primary reason was the concerns that individuals would get a tax break when they bought collectibles for their personal use. For example, a taxpayer might deduct the purchase of an antique rug for his/her living room as an IRA investment. Congress was also concerned about how the many different types of collectibles are valued.

Over the years, however, certain coins and precious metals have been excluded from the definition of a collectible because they are independently valued investments that offer investors portfolio diversity and liquidity. For example, Congress excluded gold and silver U.S. American Eagles from the definition of collectibles in 1986, and the Taxpayer Relief Act of 1997 took the further step of excluding certain precious metals bullion.

My legislation would exclude form the definition of collectibles only those U.S. legal tender coins which meet the following three standards; certification by a nationally-recognized grading service, traded on a nationally-recognized network and held by a qualified trustee as described in the Internal Revenue Code. In other words, only investment quality coins that are independently valued and not held for personal use may be included in IRAs.

There are several nationally-recognized, independent certification or grading services. Full-time professional graders (numismatists) examine each coin for authenticity and grade them according to established standards. Upon certification, the coin is sonically-sealed (preserved) to ensure that it remains in the same condition as when it was graded.

Legal tender coins are then traded via two independent electronic networks—the Certified Coin Exchange and Certified CoinNet. These networks are independent of each other and have no financial interest in legal tender coinage and precious metals markets. The networks function in precisely the same manner as the NASDAQ with a series of published ''bid'' and ''ask'' prices and last trades. The buys and sells are enforceable prices that must be honored as posted until updated.

Mr. President, the liquidity provided through a bona fide national trading network, combined with published prices, make legal tender coinage a practical investment that offers investors diversification and liquidity. Investment in these tangible assets has become a safe and prudent course of action for both the small and large investor and should be given the same treatment under the law as other financial investments. I urge the Senate to enact this important legislation as soon as possible.

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

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

S. 163

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

SECTION 1. CERTAIN COINS NOT TREATED AS COLLECTIBLES.

(a) IN GENERAL.—Subparagraph (A) of section 408(m)(3) of the Internal Revenue Code of 1986 (relating to exception for certain coins and bullion) is amended to read as follows:

''(A) any coin certified by a recognized grading service and traded on a nationally recognized electronic network, or listed by a recognized wholesale reporting service, and—

''(i) which is or was at any time legal tender in the United States, or

''(ii) issued under the laws of any State, or''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

By Mr. MOYNIHAN:

S. 164. A bill to improve mathematics and science instruction; to the Committee on Health, Education, Labor, and Pensions.

LEGISLATION TO IMPROVE AMERICAN MATH AND SCIENCE ACHIEVEMENT

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation intended

to help students in those States that do not fare well in academic comparisons with students from other nations. It authorizes grants to States whose students continue to be outperformed by students in a majority of the nations which took the Third International Mathematics and Science Study, or TIMSS.

TIMSS showed us that indisputably our students do not fare well in international competition. The most striking finding was that American students do worse, comparative speaking, the longer they are in our schools. Our fourth graders performed in the middle range of scores in math and were second to Japan in science. Our seniors are bringing up the rear.

American high school seniors performed among the lowest of the 21 countries in the study. In mathematics our students were outperformed by those of 14 countries, were statistically similar to 4 countries, and outperformed only 2 countries. In science our students were outperformed by those of 11 countries, were similar to 7 countries, and again outperformed only 2 countries. Asian countries such as Korea, Japan, and Singapore did not participate in the twelfth grade study. Just as well, for morale purposes. Their students embarrassed our students at the fourth and eighth grade levels.

The two questions that come to mind are what did we expect and what are we to do?

Our expectations were high at the beginning of the decade. In September 1989, President Bush met with the Nation's governors in Charlottesville to set out goals for education. Four months later he devoted a sizable portion of his State of the Union Address to setting forth the agreed-upon goals. Some were lofty, harmless, and unmeasurable: ''By the year 2000 every child must start school ready to learn.'' Most children are. ''Every adult must be a skilled, literate worker and citizen.'' We know what it means to be a skilled mechanic, but a skilled citizen? Others were lofty, measurable, and the product of a leakage of reality that was stupefying then as now. First and foremost that ''By the year 2000, U.S. students would be first in the world in math and science achievement.''

President Bush was speaking to Congress in a vocabulary created in the 1960's by James S. Coleman, then professor of sociology at Johns Hopkins University. The ''Coleman Report'' introduced the language of educational outputs. Previously we spoke of inputs: student-teacher ration, money per student, and such. Coleman introduced the idea of outputs, and measuring our standing in the world is one such.

With Coleman we had a new vocabulary for education, but sadly not a new understanding. The first finding of his remarkable report was ''that the schools are remarkably similar in the effect they have on the achievement of their pupils when the socioeconomic background of the students is taken into account.'' This was seismic. Family background is more important than schools. But 24 years later, in 1990, it had not been learned, or could still be ignored.

Stating that our goal was to become the leader in math and science was folly. I wrote in the Winter 1991 Public Interest that ''on no account could the President's goals—the quantified, specific goals—reasonably be deemed capable of achievement.'' I cited the general decline in high school graduation rates that began in 1970 and the lack of success we had in meeting very similar goals President Reagan set out in 1984. Most basically, we were ignoring Coleman's findings that we would have to start with the American family before we could expect improvements in American students.

I concluded the Public Interest piece by saying, ''If, as forecast here, the year 2000 arrives and the United States is nowhere near meeting the educational goals set out in 1990, the potential will nonetheless exist for serious debate as to why what was basically a political plan went wrong. We might even consider how it might have turned out better.''

Our children will not meet the goals set for math and science leadership. How can we help them do better? The TIMSS report says that it is too early to draw specific conclusions about how to improve performance in twelfth grade, that it will take some time to analyze all the data therein. I should thing the higher education community would be at the forefront of this effort, for the colleges are the most immediately affected by undereducated high school graduates. One student in five takes remedial courses in at least one subject.

Without giving short shrift to helping our elementary school students, we must focus on finding ways to keep them at the level they have achieved by fourth grade as they continue through school. This bill would make a small contribution to that effort by providing grants of $500,000 to $1,000,000 to states whose students collectively fall below the median score among the nations whose eighth graders retake the TIMSS tests this year or next. The money would be used to improve mathematics or science education. The grants would be awarded competitively; states whose students' scores qualify them must propose constructive ways of using the grants, such as for equipment, teacher training, or other purposes.

The Department of Education last year released Linking the National Assessment of Educational Progress and the Third International Mathematics and Science Study: Eighth grade results. This study showed how the states' NAEP scores and other nations' TIMSS scores could be compared. The Department of Education would use the same process to determine where states rank in comparision with the upcoming results of the TIMSS exams by a new group of eighth graders around the world. Those states whose students score below the median in either math or science would be eligible to apply for these grants.

Mr. President, money is not the answer to our dismal showing among the nations of the world. Better families is the place to start. These grants, however, would help those states that need help the most. I ask my colleagues for their support and ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 164

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

SECTION 1. GRANTS TO IMPROVE MATHEMATICS AND SCIENCE INSTRUCTION.

(a) GRANTS AUTHORIZED.—The Secretary of Education is authorized to award a grant to the Governor or State educational agency of a State if the Secretary determines that the average score of 8th grade students in the State on the 1999 retake of the Third International Mathematics and Science Study (TIMSS) is or would be lower than the median of the scores of the countries participating in the 1999 retake of the Third International Mathematics and Science Study.

(b) AMOUNT.—The Secretary of Education shall award a grant under this section in an amount not less than $500,000 and not more than $1,000,000.

(c) COMPARISON.—The Secretary of Education shall use the results of the most recent National Assessment of Educational Progress for comparisons between States and countries with respect to the 1999 retake of the Third International Mathematics and Science Study.

(d) COMPETITIVE BASIS.—The Secretary shall award grants under this section on a competitive basis.

(e) USES.—Each Governor or State educational agency receiving a grant under this section shall use the grant funds to improve mathematics and science instruction in the State.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of the fiscal years 2000 through 2003.

SEC. 2. SHORT TITLE.

This Act may be cited as the ''Math and Science Learning Improvement Act of 1999''.

By Mr. MOYNIHAN (for himself, Mr. JEFFORDS, and Mr. LIEBERMAN):

S. 165. A bill to require the Secretary of Education to correct poverty data to account for cost of living differences; to the Committee on Health, Education, Labor, and Pensions.

LEGISLATION TO REQUIRE POVERTY STATISTICS BE ADJUSTED FOR LOCAL COSTS OF LIVING

Mr. MOYNIHAN. Mr. President, I rise to introduce legislation with a simple

purpose: to require that the formulas for distributing grants under the Elementary and Secondary Education Act use poverty statistics adjusted for the costs of living in subnational areas. While residents of some states such as New York earn more as a whole than residents of many other states, they must also spend more. In some areas of New York, they spend twice as much for the same necessities as families in urban areas elsewhere in the nation. Children whose families live just above the poverty threshold in New York and other wealthier states are demonstrably worse off than children from families just below the poverty threshold in states where the cost of living is lower.

As we begin the process of reauthorizing the Elementary and Secondary Education Act this year, I hope this disparity will be considered in the distribution of funds targeted to schools in areas with high incidences of poverty (primarily the Title One grants as now authorized).

In 1995, a National Academy of Sciences (NAS) panel of experts released a study on redefining poverty. Our poverty index dates back to the work of Social Security Administration economist Mollie Orshansky who, in the early 1960s, hit upon the idea of a nutritional standard, not unlike the ''pennyloaf'' of bread of the 18th century British poor laws. Our poverty standard would be three times the cost of the Department of Agriculture-defined minimally adequate ''food basket.''

During consideration of the Family Support Act of 1988, I included a provision mandating the National Academy of Sciences to determine if our poverty measure is outdated and how it might be improved. The study, edited by Constance F. Citro and Robert T. Michael, is entitled ''Measuring Poverty: A New Approach.'' A Congressional Research Service review of the report states: The NAS panel makes several recommendations which, if fully adopted, could dramatically alter the way poverty in the U.S. is measured, how federal funds are allotted to the States, and how eligibility for many Federal programs is determined. The recommended poverty measure would be based on more items in the family budget, would take major noncash benefits and taxes into account, and would be adjusted for regional differences in living costs.

Mr. President, our current poverty data are inaccurate. And these substandard data are used in allocation formulas used to distribute millions of Federal dollars each year. As a result, States with high costs of living—states like New York, Massachusetts, Connecticut, New Hampshire, New Jersey and California, just to name a few—are not getting their fair share of Federal dollars because differences in the cost of living are not factored into the allocation formula. And the poor of these high cost states are penalized because they happen to live there. It is time to correct this inequity. The ESEA reauthorization will be one of the most significant measures we take up this year. For the children most in need of good schools and a good education, we should use adjusted poverty rates in the ESEA formulas. A national poverty rate leads to inequities. Poverty rates adjusted for subnational areas would be a significant step towards correcting them. This bill would do so.

Mr. President, I ask my colleagues for their support and ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 165

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

SECTION 1. POVERTY DATA.

Title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801 et seq.) is amended by adding at the end the following:

''PART I—POVERTY DATA ADJUSTMENTS

''SEC. 14901. POVERTY DATA ADJUSTMENTS.

''Whenever the Secretary uses any data that relates to the incidence of poverty and is produced or published by or for the Secretary of Commerce for subnational, State or substate areas, the Secretary shall adjust the data to account for differences in the cost of living in the areas.''.

SEC. 2. SHORT TITLE.

This Act may be cited as ''The Education Grant Formula Adjustment Act of 1999''.

By Mr. MOYNIHAN:

S. 166. A bill to require the Secretary of Commerce to determine any surpluses or shortfalls in certain grant amounts made available to States by reason of an undercount in the most recent decennial census conducted by the Bureau of the Census; to the Committee on Governmental Affairs.

LEGISLATION TO PROVIDE THE FISCAL CONSEQUENCES OF THE UNDERCOUNT

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill that is intended to shed a little more light on the consequences of a census that is not adjusted for the undercount. The bill requires the Secretary of Commerce to notify each governor how much more or less Federal funding in his or her state would receive each fiscal year following a decennial census if the census were adjusted for the undercount and the adjusted figures were used in grant allocation formulas.

This bill is not directly related to the controversy over sampling. The sampling proposal made by the Bureau of the Census is one way to eliminate the undercount, but there are other less controversial methods. Not uncontroversial, but less so.

Mr. President, the taking of a census goes back centuries. I quote from the King James version of the Bible, chapter two of Luke: ''And it came to pass in those days that there went out a decree from Caesar Augustus that all the world should be taxed (or enrolled, according to the footnote) . . . And all went to be taxed, everyone into his own city.'' The early censuses were taken to enable the ruler or ruling government to tax or raise an army.

The first census for more sociological reasons was taken in Nuremberg in 1449. So it was not a new idea to the Founding Fathers when they wrote it into the Constitution to facilitate fair taxation and accurate apportionment of the House of Representatives, the latter of which was the foundation of the Great Compromise.

The Constitution says in Article I, Section 2:

> Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a term of years, and excluding Indians not taxed, three fifths of all other persons. The actual enumeration shall be made within three years of the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall direct by law.

Opponents of adjustment often say that the Constitution calls for an ''actual enumeration'', and this requires an actual headcount rather than any statistical inference about those we know we miss every time. That seems to take the phrase out of context. I note that we have not taken an ''actual enumeration'' the way the Founding Fathers envisioned since 1960, after which enumerators going to every door were replaced with mail-in responses. The Constitution provides for a postal system, but did not direct that the census be taken by mail. Yet we do it that way.

Statistical work in the 1940s demonstrated that we can estimate the undercount, the number of people the census misses. The estimate for 1940 was 5.4 percent of the population. After decreasing steadily to 1.2 percent in 1980, the 1990 undercount increased to 1.8 percent, or more than four million people.

More significantly, the undercount is not distributed evenly. The differential undercount, as it is known, of minorities was 4.4 percent for Blacks, 5.0 percent for Hispanics, 2.3 percent for Asian-Pacific islanders, and 4.5 percent for Native Americans, compared with 1.2 percent for non-Hispanic whites. The difference between the black and non-black undercount was the largest since 1940. By disproportionately missing minorities, we deprive them of equal representation in Congress and of proportionate funding from Federal programs based on population. The Census Bureau estimates that the total undercount will reach 1.9 percent in

2000 if the 1990 methods are used instead of sampling.

Mr. President, I have some history with the undercount issue. In 1966 when I became Director of the Joint Center for Urban Studies at MIT and Harvard, I asked Professor David Heer to work with me in planning a conference to publicize the non-white undercount in the 1960 census and to foster concern about the problems of obtaining a full enumeration, especially of the urban poor. I ask that my forward to the report from that conference be printed following my remarks, for it is, save for some small numerical changes, disturbingly still relevant.

My hope is that if governors and other interested parties learn the financial consequences of the undercount, support may grow for correcting it. It is regrettable that we don't do it, simply because we should. But if a yearly reminder of how the undercount affects formula grant programs helps change some minds, it is worth the effort.

I ask my colleagues for their support and I ask unanimous consent that the bill and additional material, be printed in the RECORD.

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

S. 166

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

SECTION 1. DEFINITIONS.

In this Act:

(1) COVERED FEDERAL FORMULA GRANT.—The term ''covered Federal formula grant'' means a grant awarded by the Federal Government on the basis of a formula that provides for the distribution of funds to States.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(3) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 2. CALCULATIONS OF SHORTFALLS AND SURPLUS AMOUNTS.

(a) IN GENERAL.—

(1) DETERMINATION OF FUNDING AMOUNTS.—As soon as practicable after receiving the information concerning the fiscal year immediately preceding the date of enactment of this Act, and annually thereafter, the Secretary, in consultation with the Comptroller General of the United States and the heads of appropriate Federal agencies, shall determine, for the immediately preceding fiscal year—

(A) the amount of funds made available for that fiscal year for each covered Federal formula grant program; and

(B) for each covered Federal formula grant program, the amount distributed to each grant recipient.

(2) INFORMATION.—Not later than 120 days after the date of enactment of this Act, and not later than 120 days after the end of each fiscal year thereafter, the head of each Federal agency that administers a covered Federal formula grant program shall submit to the Secretary—

(A) the amount of funds made available for that program for that fiscal year; and

(B) for each State recipient of a covered Federal formula grant, the amount distributed as a grant award under that grant to that recipient.

(b) DETERMINATIONS FOR FORMULA GRANT PROGRAMS THAT RECEIVED THE GREATEST AMOUNT OF FUNDING.—Upon making the determinations under subsection (a), the Secretary shall determine—

(1) the 100 covered Federal formula grant programs that received the greatest amounts of funding during the preceding fiscal year; and

(2) whether, on the basis of undercounting for the most recent decennial census (as determined by the Secretary, acting through the Bureau of the Census), any State recipient of a grant award under paragraph (1) received an amount less than or greater than the amount that the recipient would otherwise have received if an adjustment to the grant award had been made for that undercounting.

(c) REPORTS.—

(1) IN GENERAL.—Upon making the determinations under subsection (b), the Secretary shall prepare, for each State, an annual report that includes—

(A) a listing of any grant award under subsection (b)(1) provided to that State that was an amount less than or greater than amount that the State would otherwise have received if an adjustment for undercounting referred to in that subsection had been made; and

(B) for each grant award listed under subparagraph (A), the amount of the shortfall or surplus determined under subsection (b)(2).

(2) DISTRIBUTION.—The Secretary shall provide to the Governor of each State (or the equivalent official) a copy of the report prepared under paragraph (1) for that State.

SOCIAL STATISTICS AND THE CITY

(By David M. Heer)

FOREWORD

At one point in the course of the 1950's John Kenneth Galbraith observed that it is the statisticians, as much as any single group, who shape public policy, for the simple reason that societies never really become effectively concerned with social problems until they learn to measure them. An unassuming truth, perhaps, but a mighty one, and one that did more than he may know to sustain morale in a number of Washington bureaucracies (hateful word!) during a period when the relevant cabinet officers had on their own reached very much the same conclusion—and distrusted their charges all the more in consequence. For it is one of the ironies of American government that individuals and groups that have been most resistant to liberal social change have quite accurately perceived that social statistics are all too readily transformed into political dynamite, whilst in a curious way the reform temperament has tended to view the whole statistical process as plodding, overcautious, and somehow a brake on progress. (Why must every statistic be accompanied by detailed notes about the size of the ''standard error''?)

The answer, of course, is that this is what must be done if the fact is to be accurately stated, and ultimately accepted. But, given this atmosphere of suspicion on the one hand and impatience on the other, it is something of a wonder that the statistical officers of the federal government have with such fortitude and fairness remained faithful to a high intellectual calling, and an even more demanding public trust.

There is no agency of which this is more true than the Bureau of the Census, the first, and still the most important, information-gathering agency of the federal government. For getting on, now, for two centuries, the Census has collected and compiled the essential facts of the American experience. Of late the ten-year cycle has begun to modulate somewhat, and as more and more current reports have been forthcoming, the Census has been quietly transforming itself into a continuously flowing source of information about the American people. In turn, American society has become more and more dependent on it. It would be difficult to find an aspect of public or private life not touched and somehow shaped by Census information. And yet for all this, it is somehow ignored. To declare that the Census is without friends would be absurd. But partisans? When Census appropriations are cut, who bleeds on Capitol Hill or in the Executive Office of the President? The answer is almost everyone in general, and therefore no one in particular. But the result, too often, is the neglect, even the abuse, of an indispensable public institution, which often of late has served better than it has been served.

The papers in this collection, as Professor Heer's introduction explains, were presented at a conference held in June 1967 with the avowed purpose of arousing a measure of public concern about the difficulties encountered by the Census in obtaining a full count of the urban poor, especially perhaps the Negro poor. It became apparent, for example, that in 1960 one fifth of nonwhite males aged 25–29 had in effect disappeared and had been left out of the Census count altogether. Invisible men. Altogether, one tenth of the non-white population had been ''missed.'' The ramifications of this fact were considerable, and its implications will suggest themselves immediately. It was hoped that a public airing of the issue might lead to greater public support to ensure that the Census would have the resources in 1970 to do what is, after all, its fundamental job, that of counting all the American people. As the reader will see, the scholarly case for providing this support was made with considerable energy and candor. But perhaps the most compelling argument arose from a chance remark by a conference participant to the effect that if the decennial census were not required by the Constitution, the Bureau would doubtless never have survived the economy drives of the nineteenth century. The thought flashed: the full enumeration of the American population is not simply an optional public service provided by government for the use of sales managers, sociologists, and regional planners. It is, rather, the constitutionally mandated process whereby political representation in the Congress is distributed as between different areas of the Nation. It is a matter not of convenience but of the highest seriousness, affecting the very foundations of sovereignty. That being the case, there is no lawful course but to provide the Bureau with whatever resources are necessary to obtain a full enumeration. Inasmuch as Negroes and other ''minorities'' are concentrated in specific urban locations, to undercount significantly the population in those areas is to deny residents their rights under Article I, Section 3 of the Constitution, as well, no doubt, as under Section 1 of the Fourteenth Amendment. Given the further, more recent practice of distributing Federal, State, and local categorical aid on the basis not only of the number but also social and economic characteristics of local populations, the constitutional case for full enumeration would seem to be further strengthened.

A sound legal case? Others will judge; and possibly one day the courts will decide. But of one thing the conference had no doubt: the common-sense case is irrefutable. America needs to count all its people. (And reciprocally, all its people need to make themselves available to be counted.) But if the legal case adds any strength to the common-sense argument, it remains only to add that should either of the arguments bring some improvement in the future, it will be but another instance of the generosity of the Carnegie Corporation, which provided funds for the conference and for this publication.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 167. A bill to extend the authorization for the Upper Delaware Citizens Advisory Council and to authorize construction and operation of a visitor center for the Upper Delaware Scenic and Recreational River, New York and Pennsylvania; to the Committee on Energy and Natural Resources.

UPPER DELAWARE SCENIC AND RECREATIONAL RIVER LEGISLATION

Mr. MOYNIHAN. Mr. President, I rise today to introduce, along with my friend and colleague Senator SCHUMER, a bill to extend the authorization for the Upper Delaware River Citizens Advisory Committee and authorize the construction of a visitors center. The Upper Delaware is a 73-mile stretch of free flowing water between Hancock and Sparrowbush, New York along the Pennsylvania border. The area is home to the Zane Gray Museum and to Roebling's Delaware Aqueduct, which is believed to be the oldest existing wire cable suspension bridge. The Upper Delaware is an ideal location for canoeing, kayaking, rafting, tubing, sightseeing, and fishing.

In 1987 the Secretary of the Interior approved a management plan for the Upper Delaware Scenic and Recreational River which called for the development of a visitors center at the south end of the river corridor. It would be owned and constructed by the National Park Service. In 1993 New York State authorized a lease with the Park Service for the construction of a visitor center on State-owned land in the town of Deerpark in the vicinity of Mongaup. This bill allows the Secretary to enter into such a lease and to construct and operate the visitor center.

Mr. President, the many thousands of visitors to this wonderful river would benefit greatly from a place to go to find out about the recreational opportunities, the history, and the flora and fauna of the river. This bill would move that process along to its conclusion. It would also reauthorize the Citizens Advisory Council which ensures that the views and concerns of local residents are kept in mind when management decisions are made. My colleague from New York and I ask for the support of other Senators, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 167

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

SECTION 1. EXTENSION OF AUTHORIZATION FOR UPPER DELAWARE CITIZENS ADVISORY COUNCIL.

Section 704(f)(1) of the National Parks and Recreation Act of 1978 (16 U.S.C. 1274 note; Public Law 95–625) is amended in the last sentence by striking ''20'' and inserting ''30''.

SEC. 2. VISITOR CENTER FOR UPPER DELAWARE SCENIC AND RECREATIONAL RIVER.

(a) FINDINGS.—Congress finds that—

(1) on September 29, 1987, the Secretary of the Interior approved a management plan for the Upper Delaware Scenic and Recreational River, as required by section 704(c) of the National Parks and Recreation Act of 1978 (16 U.S.C. 1274 note; Public Law 95–625);

(2) the management plan called for the development of a primary visitor contact facility located at the southern end of the river corridor;

(3) the management plan determined that the visitor center would be built and operated by the National Park Service;

(4) section 704 of that Act limits the authority of the Secretary of the Interior to acquire land within the boundary of the river corridor; and

(5) on June 21, 1993, the State of New York authorized a 99-year lease between the New York State Department of Environmental Conservation and the National Park Service for construction and operation of a visitor center by the Federal Government on State-owned land in the town of Deerpark, Orange County, New York, in the vicinity of Mongaup, which is the preferred site for the visitor center.

(b) AUTHORIZATION OF VISITOR CENTER.—Section 704(d) of the National Parks and Recreation Act of 1978 (16 U.S.C. 1274 note; Public Law 95–625) is amended—

(1) by striking ''(d) Notwithstanding'' and inserting the following:

''(d) ACQUISITION OF LAND.—

''(1) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(2) VISITOR CENTER.—For the purpose of constructing and operating a visitor center for the segment of the Upper Delaware River designated as a scenic and recreational river by section 3(a)(19) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)(19)), subject to the availability of appropriations, the Secretary of the Interior may—

''(A) enter into a lease with the State of New York, for a term of 99 years, for State-owned land within the boundaries of the Upper Delaware River located at an area known as 'Mongaup' near the confluence of the Mongaup and Upper Delaware Rivers in the State of New York; and

''(B) construct and operate the visitor center on the land leased under subparagraph (A).''.

By Mr. MOYNIHAN:

S. 168. A bill for the relief of Thomas J. Sansone, Jr.; to the Committee on the Judiciary.

PRIVATE RELIEF BILL

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill that will provide compensation under the National Vaccine Injury Compensation Program (VICP) to Tommy Sansone, Jr. Tommy was injured by a DPT vaccine in June 1994 and continues to suffer seizures and brain damage to this day. Tommy is the untended and helpless victim of a drug designed to help him. He needs our help because while the Vaccine Injury Program is meant to make reparations for these injuries, it is hampered by regulations that challenge the worthiest of claims.

Back in 1986, Congress passed the Vaccine Injury Act to take care of vaccine injuries because the shots that we required our children to get were not as safe as they could have been. Since the program was established, more than 1100 children have been compensated. Over the first ten years, a great percentage of those with seizures or brain damage or other symptoms were recognized to be DPT-injured, and, they were summarily compensated. But, by 1995, the Institutes of Medicine (IOM) and others concluded that because the symptoms had no unique clinical profile, they were not necessarily DPT injuries. So, HHS changed the definitions of encephalopathy (inflammation of the brain), and of vaccine injury. Those new definitions had unintended consequences. Now, the program that we set up to be expeditious and fair, uses criteria that are so strict that the fund from which these claims are paid pays fewer claims than before and the fund has ballooned to over $1.2 billion. As a result, families of children like Tommy find it nearly impossible to win a claim against the Vaccine Injury Compensation Program. The program is failing its mission.

To be clear, VICP is not a medical insurance policy. The program is not designed to take care of those who cannot get or receive care. VICP is a compensation program, where the government makes amends for a failure in the system that it established. Claims are paid from a trust fund established from surcharges that are paid on each shot a child receives. The fund serves as an insurance policy against vaccine injuries. But, following the regulatory changes made in 1995, the government is not recognizing even the most legitimate of claims. We are failing the very children we are trying to protect.

Over the years after his DPT shot (the combined shot for diphtheria, pertussis and tetanus), Tommy suffers severe seizures and from brain damage that has hampered his mental development. When he wakes in the morning or from a nap, either his mother or father is at his side waiting for the inevitable. Tommy's eyes tear and his face cringes in agony as his entire body is wracked with a muscle-clenching seizure. His parents hold him helplessly until the seizure subsides, sometimes for as long as five minutes. Tommy will then look into his mother's loving eyes, and say, ''No more, mommy. Make them stop.''

At the very least, Tommy's parents know that the strain of vaccine used on Tommy is now being phased out because of the rash of adverse reactions it caused. But this does nothing for Tommy or his parents, who have been in and out of countless hospitals, and consulted with doctors and experts at the Centers for Disease Control and the Health Resources and Services Administration. Their claim for compensation was dismissed in the Federal Court of Claims, but they and Tommy's doctor feel (and I agree with them) that they should have known more about the potential dangers of the DPT vaccine that Tommy received on June 1, 1994. No one told them that there was a chance that the DPT vaccine could cause such trauma. No one told them about ''hot lots,'' an unofficial term for a batch of shots that has had an abundance of adverse reactions. The lot that Tommy received is known to have had 44 such reactions from March–November 1994, including 2 deaths. These are reactions beyond the short-lived fever and rashes that accompany many vaccines. Their doctor didn't know about the availability of the ''new'' acellular strain of pertussis vaccine that is replacing the whole cell version that had been used since the 1930s. Sure, it costs a couple of dollars more, but who wouldn't choose that for their child—given the choice?

Tommy's claim would have been covered before the 1995 changes, but that is not the case any longer. He's the victim of a bad DPT vaccine, yet his case continues to be denied because the first seizure didn't occur within 72 hours of the shot. It occurred 18 days later, and he suffers to this day. Tommy also has brain damage (encephalopathy) because of the DPT shot, but it doesn't fit that new definition either. He cried and moaned at a shrill pitch from the moment of the shot until his first seizure, but that doesn't matter either. For the first six months of his life, Tommy was in all ways normal, but for 4 and a half years since the DPT vaccine he and his family have suffered. As a parent and grandparent, I would do anything to protect my family from such pain and suffering. Tom Sansone, Sr. has done everything he knows how to help his son. Now he has turned to me because he knows I am in a position to help and I will not relent in my pursuit of relief for the Sansone family. The Vaccine Injury Compensation Program should take care of Tommy, but it doesn't. This bill will enable us to ensure that it does.

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

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

S. 168

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

SECTION 1. COMPENSATION FOR VACCINE-RELATED INJURY.

(a) CAUSE OF INJURY.—In consideration of the petition filed under subtitle 2 of title XXI of the Public Health Service Act (42 U.S.C. 300aa–10 et seq.) (relating to the National Vaccine Injury Compensation Program) by the legal representatives of Thomas J. Sansone, Jr., including the claims contained in that petition that the injury described in that petition was cause by a vaccine covered in the Vaccine Injury Table specified in section 2114 of such Act (42 U.S.C. 300aa–14) and given on June 1, 1994, such injury is deemed to have been caused by such vaccine for the purposes of subtitle 2 of title XXI of such Act.

(b) PAYMENT.—The Secretary of Health and Human Services shall pay compensation to Thomas J. Sansone, Jr. for the injury referred to in subsection (a) in accordance with section 2115 of the Public Health Service Act (42 U.S.C. 300aa–15).

By Mr. CLELAND (for himself, Mr. ROBB, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. BYRD, Mr. LIEBERMAN, Ms. LANDRIEU, Mr. REED, and Mr. DASCHLE):

S. 169. A bill to improve pay, retirement, and educational assistance benefits for members of the Armed Forces; and for other purposes; to the Committee on Armed Services.

THE MILITARY RECRUITING AND RETENTION IMPROVEMENT ACT OF 1999

Mr. CLELAND. Mr. President, I am extremely pleased to introduce with my colleagues, Senators ROBB, LEVIN, KENNEDY, BYRD, BINGAMAN, LIEBERMAN, LANDRIEU, REED, and DASCHLE—The Military Recruiting and Retention Improvement Act of 1999. I strongly believe that this bill represents an excellent step toward providing the men and women of the military a clear signal that we the people of the United States and we the members of the Congress of the United States value their contributions, understand their needs and concerns, and understand our obligations to provide for those who have answered the calling to defend our Nation.

The signal that we send to the people in the military and to the people of the United States should be one of hope and opportunity, and one that understands the critical needs of military members and their families. Twenty-five years ago Americans opted to end the draft and to establish an all-volunteer military force to provide for our national security. That policy carried with it a requirement that we invest the needed resources to bring into existence a competent and professional military. Currently, all services are having difficulty in attracting and retaining qualified individuals. Seasoned, well-qualified personnel are leaving in alarming numbers. Specifically, the Navy is not making its recruiting goals. The Army cites pay and retirement, and overall quality of life as three of the top four reasons soldiers are leaving. The Air Force is currently 850 pilots short. The Marine Corps is hampered by inadequate funding of the pay and retirement and quality of life accounts in meeting its readiness and modernizing needs. All services, including the Guard and Reserve Components, are experiencing similar recruiting and retention problems. These shortfalls must be addressed if our Nation is to continue to have a highly capable, cutting edge military force.

In light of our recent successful operations around the world, in the Persian Gulf and elsewhere, we must redouble our efforts to ensure that we continue to recruit, train and retain the best of America to serve in our armed forces, which is the goal of the legislation I am introducing today. Equally important, this bill, for the first time in a long time, addresses the immediate family members of our brave Soldiers, Sailors, Airmen, and Marines. The Military Recruiting and Retention Improvement Act of 1999 addresses the concerns of Secretary of Defense Cohen, the Joint Chiefs of Staff and Congress regarding recruiting a strong, viable military force for the 21st Century. It also significantly assists in retaining the right military personnel for the 21st Century. If we fail today to address these key issues, now when we have the combination of a strong economy, a relatively positive budget outlook, and a world which is largely at peace, we may well have missed a key window of opportunity. The bill we are introducing today goes a long way toward eliminating the deficiencies that we all have recently heard so much about from the Chiefs and a myriad of experts who are greatly concerned about the readiness of our military force, especially as we look a few years ahead.

Military experts, defense journalists, former Secretaries of Defense, former Service Chiefs, former theater Commanders in Chief, research and development specialists and even civilian industry leaders agree: the number one factor undergirding our superpower military status is the people of our Armed Forces. This critical ingredient means something different today than it did on the beaches of Normandy, in the jungles of Vietnam, or in fact even on the deserts of Kuwait. Today, the people of our military are as dedicated, as committed, as patriotic as any force we have ever fielded. They are, in fact, smarter, better trained, and more technically adept than any who we have ever counted upon to defend our Nation. Operation Desert Fox proved this fact. This flawless, but dangerous and stressful, operation involved 40,000 troops from bases virtually around the world. Over 40 shops performed around the clock strikes and support. Six hundred aircraft sorties were flown in four days, and over 300 of these were night strike operations. And this massive effort was carried out without a single loss of American or British life!

In contrast to this and other post-Vietnam successes, consider the problems which face the people in uniform. New global security threats and our strong economy each exert enormous pressures on the people in the military and their families. By some measures the pay for our military personnel lags 13 percent behind the civilian pay raises over the last 20 years. Yet, we ask our military to train on highly technical equipment, to commit themselves in harm's way, to leave their families, and to execute flawless operations. Sometimes these operations are new and different from any past military operations, but they can be just as dangerous. Meanwhile, some of our servicemen and women qualify for food stamps, do not have the same educational opportunities as their civilian counterparts, must deal with confusing and changing health benefits and/or can not find affordable housing. Something is badly wrong with this picture, and the Congress and the Administration must work together to set things right.

Specifically, we need to recruit good people, continue to train them, and retain them in the military. This is difficult at best with the changes in our society, the rapidly changing threats to our security, and a prosperous economy. As I heard a service member say during a hearing I held at Ft. Gordon, Georgia last year, we recruit an individual, but we retain a family.

Some of the recruiting and retention problems of today's United States military are well documented. Others need to be more thoroughly explored. They all need to be addressed. The Military Recruiting and Retention Improvement Act of 1999 is but the first step. It is the beginning. I caution my colleagues that today's servicemen and women, and their families, are intelligent and are quick to recognize duplicity in the words and actions of our civilian and military leadership. Our military's most important assets—its people—are leaving the military, and many of America's best are not even considering joining the military. We must proceed expeditiously, with firm purpose and unified non-partisanship if we are to reverse these dangerous trends.

This bill responds to current data which provide some insight into how we can more effectively respond to today's youth and their service in the military. This 106th Congress has a tremendous opportunity to respond to today's military personnel problems. We must keep our focus on current and future personnel issues, including recognizing and responding to the need to retain a family. Our legislation does so.

Mr. President, the bill my colleagues and I are introducing today includes all three parts of the Department of Defense's proposed pay and retirement package. It incorporates some of the recommendations made by the Congressionally mandated Principi Commission, and it provides some additional innovative ideas for addressing these key personnel issues, now and into the future.

First, our bill provides a 4.8% pay raise across-the-board for all military members, effective January 1, 2000, and carries out the stated objective of Secretary Cohen and the Joint Chiefs of Staff of bringing military pay more in line with private sector wages. This increase raises military pay in FY2000 by one-half a percentage point above the annual increase in the Employment Cost Index (ECI), and represents the largest increase in military pay since 1982. Furthermore, and also in keeping with DoD's current plans, we would provide an annual increase in military pay of one-half percent above the annual increase in the ECI in each year from FY2001 to FY2006.

Another of the Joint Chiefs' recommendations included in our legislation is the targeted pay raise for mid-grade officers and enlisted personnel, and also for key promotion points. These raises, amounting to between 4.8 percent and 10.3 percent, which includes the January 1, 2000, pay raise and would be effective July 1, 2000.

The third part of our legislation taken from the DOD plan is a revision in the Military Retirement Reform Act of 1986, which would restore the 50 percent basic pay benefit for military members who retire at 20 years of service.

I am proud to say that in addition to the pay and retirement benefits package proposed by Secretary Cohen and the Joint Chiefs, our legislation includes several key recommendations from the recent report of the Congressional Commission on Servicemembers and Veterans Transition Assistance, also known as the Principi Commission. These provisions are specifically designed to assist the military services in their recruiting and retention efforts.

Information and data that we are seeing indicate that education benefits are an essential component in attracting young people to enter the armed services. This may be the single most important step this Congress can take in assisting recruitment. Improvements in the Montgomery GI Bill are needed, and our bill represents a vital move in that direction.

In keeping with the Principi Commission, our legislation would increase the basic GI Bill benefit from $528 to $600 per month and eliminate the current requirement for entering service members to contribute $1,200 of their own money in order to participate in the program. These changes should dramatically increase the attractiveness of the GI Bill to potential recruits, and give our Service Secretaries a powerful recruiting incentive.

Our legislation also adopts the Principi Commission recommendations to allow service members to transfer their earned GI Bill benefits to one or more immediate family members. Mr. President, this idea is innovative, it is powerful and it sends the right message to both those young people we are trying to attract into the military and those we are trying to retain.

The Military Recruiting and Retention Improvement Act of 1999 includes a provision that would allow military members to participate in the current Thrift Savings Plan available to Federal civil servants. Under this proposal, which adopts another recommendation of the Congressional Commission on Servicemembers and Veterans Transition Assistance, military members would be permitted to contribute up to 5 percent of their basic pay, and all or any part of any enlistment or reenlistment bonus, to the Thrift Savings Plan.

Another section of our legislation extends for three years—through December 31, 2002—the authority for the military services to pay a number of bonuses and special incentive pays that are fundamental to recruiting and retaining highly skilled military members. The authority to pay these bonuses and special pay expires at the end of this year. By renewing this authority now through the end of 2002, we will provide military managers with these crucial retention tools. By acting now and for three years, the military members themselves will have greater confidence that these pay incentives will be available.

Mr. President, based on our initial estimates, it is my understanding that the provisions contained in this legislation will not require us to increase the funding for national defense above the levels in the President's FY2000–2006 Future Years Defense Plan. However, more precise costing will have to be done by the Congressional Budget Office over the next several weeks.

I know that all Members of the United States Senate are committed to the well-being of our servicemen and women and their families. They are doing their duty with honor and dignity. They are serving our country around the globe. They, along with their families, deserve our commitment. The bill we are introducing today is fair and will ensure that we continue to attract and retain high quality people to serve in our armed forces. It represents the beginning of a process to provide hope and opportunity to those who wear the uniform of our Services. The President has announced a very good plan, as has the distinguished Majority Leader. We must move forward, together, in addressing these important personnel and readiness issues.

In closing, I want to recognize the leadership of Senator LEVIN, and the

other members of the Armed Services Committee who are co-sponsoring this legislation. We are all absolutely committed to the welfare of our servicemen and women and their families. They provide for us, and it is time for us to provide our obligation to them. I look forward to working with Senator LEVIN, Chairman WARNER, and all of our colleagues on the Armed Services Committee in the months ahead to honor that obligation. I know I speak for myself and all of my co-sponsors in pledging to do our utmost to achieve that goal.

Mr. President, I now ask an unanimous consent that a summary and the text of the Military Recruitment and Retention Improvement Act of 1999 be printed into the RECORD.

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

S. 169

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 ''Military Recruiting and Retention Improvement Act of 1999''.

TITLE I—PAY AND ALLOWANCES

SEC. 101. FISCAL YEAR 2000 INCREASE AND RESTRUCTURING OF BASIC PAY.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services by section 203(a) of such title to become effective during fiscal year 2000 shall not be made.

(b) JANUARY 1, 2000, INCREASE IN BASIC PAY.—Effective on January 1, 2000, the rates of monthly basic pay for members of the uniformed services shall be increased by 4.8 percent.

(c) BASIC PAY REFORM.—Effective on July 1, 2000, the rates of monthly basic pay for members of the uniformed services are as follows:

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
0–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
0–9	0.00	0.00	0.00	0.00	0.00
0–8	6,594.30	6,810.30	6,953.10	6,993.30	7,171.80
0–7	5,479.50	5,851.80	5,851.50	5,894.40	6,114.60
0–6	4,061.10	4,461.60	4,754.40	4,754.40	4,772.40
0–5	3,248.40	3,813.90	4,077.90	4,127.70	4,291.80
0–4	2,737.80	3,333.90	3,556.20	3,606.04	3,812.40
0–3 [3]	2,544.00	2,884.20	3,112.80	3,364.80	3,525.90
0–2 [3]	2,218.80	2,527.20	2,910.90	3,000.00	3,071.10
0–1 [3]	1,926.30	2,004.90	2,423.10	2,423.10	2,423.10
	Over 8	Over 10	Over 12	Over 14	Over 16
0–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
0–9	0.00	0.00	0.00	0.00	0.00
0–8	7,471.50	7,540.80	7,824.60	7,906.20	8,150.10
0–7	6,282.00	6,475.80	6,669.00	6,863.10	7,471.50
0–6	4,976.70	5,004.00	5,004.00	5,169.30	5,791.20
0–5	4,291.80	4,420.80	4,659.30	4,971.90	5,286.00
0–4	3,980.40	4,251.50	4,464.00	4,611.00	4,758.90
0–3 [3]	3,702.60	3,850.20	4,040.40	4,139.10	4,139.10
0–2 [3]	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
0–1 [3]	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10
	Over 18	Over 20	Over 22	Over 24	Over 26
0–10 [2]	$0.00	$10,655.10	$10,707.60	$10,930.20	$11,318.40
0–9	0.00	9,319.50	9,453.60	9,647.70	9,986.40
0–8	8,503.80	8,830.20	9,048.00	9,048.00	9,048.00
0–7	7,985.40	7,985.40	7,985.40	7,985.40	8,025.60
0–6	6,086.10	6,381.30	6,549.00	6,719.10	7,049.10
0–5	5,436.00	5,583.60	5,751.90	5,751.90	5,751.90
0–4	4,808.70	4,808.70	4,808.70	4,808.70	4,808.70
0–3 [3]	4,139.10	4,139.10	4,139.10	4,139.10	4,139.10
0–2 [3]	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
0–1 [3]	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10

[1] Basic pay for these officers is limited to the rate of basic pay for level V of the Executive Schedule.

[2] While serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be $12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code. Nevertheless, basic pay for these officers is limited to the rate of basic pay for level V of the Executive Schedule.

[3] Does not apply to commissioned officers who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
0–3E	$0.00	$0.00	$0.00	$3,364.80	$3,525.90
0–2E	0.00	0.00	0.00	3,009.00	3,071.10
0–1E	0.00	0.00	0.00	2,423.10	2,588.40
	Over 8	Over 10	Over 12	Over 14	Over 16
0–3E	$3,702.60	$3,850.20	$4,040.40	$4,200.30	$4,291.80
0–2E	3,168.60	3,333.90	3,461.40	3,556.20	3,556.20
0–1E	2,683.80	2,781.30	2,877.60	3,009.00	3,009.00
	Over 18	Over 20	Over 22	Over 24	Over 26
0–3E	$4,416.90	$4,416.90	$4,416.90	$4,416.90	$4,416.90
0–2E	3,556.20	3,556.20	3,556.20	3,556.20	3,556.20
0–1E	3,009.00	3,009.00	3,009.00	3,009.00	3,009.00

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	2,592.00	2,788.50	2,868.60	2,947.50	3,083.40
W–3	2,355.90	2,555.40	2,555.40	2,588.40	2,694.30
W–2	2,063.40	2,232.60	2,232.60	2,305.80	2,423.10
W–1	1,719.00	1,971.00	1,971.00	2,135.70	2,232.60
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,217.20	3,352.80	3,485.10	3,622.20	3,753.60

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–3	2,814.90	2,974.20	3,071.10	3,177.00	3,298.20
W–2	2,555.40	2,852.60	2,749.80	2,844.30	2,949.00
W–1	2,332.80	2,433.30	2,533.20	2,634.00	2,734.80
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$4,475.10	$4,628.70	$4,782.90	$4,937.40
W–4	3,888.00	4,019.00	4,155.60	4,289.70	4,427.10
W–3	3,418.50	3,539.10	3,659.40	3,780.00	3,900.90
W–2	3,058.40	3,163.80	3,270.90	3,378.30	3,378.30
W–1	2,835.00	2,910.90	2,910.90	2,910.90	2,910.90

ENLISTED MEMBERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [4]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	1,765.80	1,927.80	2,001.00	2,073.00	2,147.70
E–6	1,518.90	1,678.20	1,752.60	1,824.30	1,899.30
E–5	1,332.60	1,494.00	1,566.00	1,640.40	1,714.50
E–4	1,242.90	1,373.10	1,447.20	1,520.10	1,593.90
E–3	1,171.50	1,260.60	1,334.10	1,335.90	1,335.90
E–2	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E–1	[5] 1,005.60	1,005.60	1,005.60	1,005.60	1,005.60
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [4]	$0.00	$3,015.30	$3,083.40	$3,169.80	$3,271.50
E–8	2,528.40	2,601.60	2,669.70	2,751.60	2,840.10
E–7	2,220.90	2,294.10	2,367.30	2,439.30	2,514.00
E–6	1,973.10	2,047.20	2,118.60	2,191.50	2,244.60
E–5	1,789.50	1,861.50	1,936.20	1,936.20	1,936.20
E–4	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E–3	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E–2	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E–1	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [4]	$3,373.20	$3,473.40	$3,609.30	$3,744.00	$3,915.80
E–8	2,932.50	3,026.10	3,161.10	3,295.50	3,483.60
E–7	2,588.10	2,660.40	2,787.60	2,926.20	3,134.40
E–6	2,283.30	2,283.30	2,285.70	2,285.70	2,285.70
E–5	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20
E–4	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E–3	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E–2	1,127.40	1,127.40	1,127.40	1,123.20	1,127.40
E–1	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60

[4] While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[5] In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $930.30.

SEC. 102. PAY INCREASES FOR FISCAL YEARS 2001 THROUGH 2006 AT ECI PLUS ONE-HALF PERCENT.

Notwithstanding subsection (c) of section 1009 of title 37, United States Code, the percentage of the increase in the rates of monthly basic pay that takes effect under that section during each of fiscal years 2001 through 2006 shall be the percentage equal to the sum of one percent plus the percentage increase calculated as provided under subsection (a) of section 5303 of title 5, United States Code, for such fiscal year (without regard to whether rates of pay under the statutory pay systems are actually increased by the percentage calculated under such section 5303(a) during such fiscal year).

SEC. 103. THREE-YEAR EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF CERTAIN BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 1999,'' and inserting ''December 31, 2002,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(c) ENLISTMENT BONUSES FOR MEMBERS WITH CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(d) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking ''any fiscal year beginning before October 1, 1998, and the 15-month period beginning on that date and ending on December 31, 1999'' and inserting ''the 15-month period beginning on October 1, 1998, and ending on December 31, 1999, and any year beginning after December 31, 1999, and ending before January 1, 2003''.

SEC. 104. THREE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking ''January 1, 2000'' and inserting in lieu thereof ''January 1, 2003''.

SEC. 105. THREE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking ''December 31, 1999'' and inserting in lieu thereof ''December 31, 2002''.

TITLE II—RETIRED PAY

SEC. 201. REPEAL OF REDUCTION IN RETIRED PAY MULTIPLIER FOR POST–JULY 31, 1986 MEMBERS RETIRING WITH LESS THAN 30 YEARS OF SERVICE.

Section 1409(b) of title 10, United States Code, is amended by striking paragraph (2).

SEC. 202. MODIFIED "CPI–1" COST-OF-LIVING ADJUSTMENT.

Paragraph (3) of section 1401a(b) of title 10, United States Code, is amended to read as follows:

''(3) POST-AUGUST 1, 1986 MEMBERS.—The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service on or after August 1, 1986, by the percent equal to the difference between the percent determined under paragraph (2) and 1 percent, except that, if the percent determined under paragraph (2) is less than 3 percent, the Secretary shall increase the retired pay by the lesser of the percent so determined or 2 percent.''.

SEC. 203. CONFORMING AMENDMENTS.

(a) COMPUTATION OF RETIRED PAY.—(1) Chapter 71 of title 10, United States Code, is further amended—

(A) in section 1409(b)—

(i) in paragraph (1), by striking ''paragraphs (2) and (3)'' and inserting thereof ''paragraph (2)''; and

(iii) by redesignating paragraph (3) as paragraph (2); and

(B) in section 1410, by striking ''if—'' and all that follows and inserting the following: ''if increases in the retired pay of the member or former member under section 1401a(b) of this title had been computed as provided in paragraph (2) of that section (rather than under paragraph (3) of that section).''

(2)(A) The heading for section 1410 of such title is amended to read as follows:

''§ 1410. Members entering on or after August 1, 1986: restoration of COLA increases to full-COLA amounts at age 62''.

(B) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

''1410. Members entering on or after August 1, 1986: restoration of COLA increases to full-COLA amounts at age 62.''.

(b) SURVIVOR BENEFIT PLAN.—Chapter 73 of such title is amended—

(1) in section 1447(6)(A), by striking ''(determined without regard to any reduction under section 1409(b)(2) of this title)'';

(2) in section 1451(h), by striking paragraph (3); and

(3) in section 1452(c), by striking paragraph (4).

SEC. 204. EFFECTIVE DATE.

The amendments made by this title shall take effect on October 1, 1999.

TITLE III—THRIFT SAVINGS PLAN

SEC. 301. PARTICIPATION IN THRIFT SAVINGS PLAN.

(a) AUTHORITY.—Subchapter III of chapter 84 of title 5, United States Code, is amended by adding at the end the following:

''§ 8440e. Members of the uniformed services in active service

''(a) PARTICIPATION AUTHORIZED.—(1) A member of the armed forces in active service may participate in the Thrift Savings Plan in accordance with this section.

''(2) An election to contribute to the Thrift Savings Fund under paragraph (1) may be made only during a period provided under section 8432(b) for individuals subject to this chapter.

''(b) APPLICABILITY OF THRIFT SAVINGS PLAN PROVISIONS.—Except as otherwise provided in this section, the provisions of this subchapter and subchapter VII of this chapter shall apply with respect to members of the uniformed services making contributions to the Thrift Savings Fund as if such members were employees within the meaning of section 8401(11).

''(c) MAXIMUM CONTRIBUTION FROM BASIC PAY.—The amount contributed by a member of the uniformed services for any pay period out of basic pay may not exceed—

''(1) for any pay period 5 percent of such member's basic pay for such pay period, plus

''(2) an amount equal to the amount of any enlistment or reenlistment bonus paid to the member under section 308, 308a, or 308f of title 37 in connection with an enlistment for active service.

''(d) AGENCY CONTRIBUTIONS PROHIBITED.—No contribution under section 8432(c) of this title may be made for the benefit of a member of the uniformed services making contributions to the Thrift Savings Fund under subsection (a).

''(e) CERTAIN TRANSFERS NOT CONSIDERED SEPARATIONS.—A transfer of a member from one armed force to another armed force without a break in active service of more than 30 days shall not be considered to be a separation from service for the purposes of establishing an entitlement of the member to a withdrawal from the member's account under the Thrift Savings Plan.

''(f) REGULATIONS.—The Executive Director, after consultation with the Secretary of Defense, may prescribe regulations to carry out this section.

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

''(1) the term 'armed forces' has the meaning given the term in subsection (a)(4) of section 101 of title 10;

''(2) the term 'active service' has the meaning given the term in subsection (d)(3) of such section; and

''(3) the term 'basic pay' means basic pay that is payable under section 204 of title 37.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 84 of title 5, United States Code, is amended by adding after the item relating to section 8440d the following:

''8440e. Members of the uniformed services in active service.''.

SEC. 302. NONDUPLICATION OF CONTRIBUTIONS.

Section 8432b(b) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking ''Each employee'' and inserting ''Except as provided in paragraph (4), each employee'';

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph (4)

''(4) No contribution may be made under this section for a period for which an employee made a contribution under section 8440e.''.

TITLE IV—MONTGOMERY GI BILL BENEFITS

SEC. 401. INCREASE IN RATES OF EDUCATIONAL ASSISTANCE FOR FULL-TIME EDUCATION.

(a) INCREASE.—Section 3015 of title 38, United States Code, is amended—

(1) in subsection (a)(1), by striking ''$528'' and inserting ''$600''; and

(2) in subsection (b)(1), by striking ''$429'' and inserting ''$488''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to educational assistance allowances paid for months after September 1999. However, no adjustment in rates of educational assistance shall be made under subsection (g) of section 3015 of title 38, United States Code, for fiscal year 2000.

SEC. 402. TERMINATION OF REDUCTIONS OF BASIC PAY.

(a) REPEALS.—(1) Section 3011 of title 38, United States Code, is amended by striking subsection (b).

(2) Section 3012 of such title is amended by striking subsection (c).

(3) The amendments made by paragraphs (1) and (2) shall take effect on the date of the enactment of this Act and shall apply to individuals whose initial obligated period of active duty under section 3011 or 3012 of title 38, United States Code, as the case may be, begins on or after such date.

(b) TERMINATION OF REDUCTIONS IN PROGRESS.—Any reduction in the basic pay of an individual referred to in section 3011(b) of title 38, United States Code, by reason of such section 3011(b), or of any individual referred to in section 3012(c) of such title by reason of such section 3012(c), as of the date of the enactment of this Act shall cease commencing with the first month beginning after such date, and any obligation of such individual under such section 3011(b) or 3012(c), as the case may be, as of the day before such date shall be deemed to be fully satisfied as of such date.

(c) CONFORMING AMENDMENT.—Section 3034(e)(1) of title 38, United States Code, is amended in the second sentence by striking ''as soon as practicable'' and all that follows through ''such additional times'' and inserting ''at such times''.

SEC. 403. ACCELERATED PAYMENTS OF EDUCATIONAL ASSISTANCE.

Section 3014 of title 38, United States Code, is amended—

(1) by inserting ''(a)'' before ''The Secretary shall pay''; and

(2) by adding at the end the following new subsection (b):

''(b)(1) When the Secretary determines that it is appropriate to accelerate payments under the regulations prescribed pursuant to paragraph (6), the Secretary may make payments of basic educational assistance allowance under this subchapter on an accelerated basis.

''(2) The Secretary may pay a basic educational assistance allowance on an accelerated basis only to an individual entitled to payment of the allowance under this subchapter who has made a request for payment of the allowance on an accelerated basis.

''(3) In the event an adjustment under section 3015(g) of this title in the monthly rate of basic educational assistance will occur during a period for which a payment of an allowance is made on an accelerated basis under this subsection, the Secretary shall—

''(A) pay on an accelerated basis the amount the allowance otherwise payable under this subchapter for the period without regard to the adjustment under that section; and

''(B) pay on the date of the adjustment any additional amount of the allowance that is payable for the period as a result of the adjustment.

''(4) The entitlement to a basic educational assistance allowance under this subchapter of an individual who is paid an allowance on

an accelerated basis under this subsection shall be charged at a rate equal to one month for each month of the period covered by the accelerated payment of the allowance.

''(5) A basic educational assistance allowance shall be paid on an accelerated basis under this subsection as follows:

''(A) In the case of an allowance for a course leading to a standard college degree, at the beginning of the quarter, semester, or term of the course in a lump-sum amount equivalent to the aggregate amount of monthly allowance otherwise payable under this subchapter for the quarter, semester, or term, as the case may be, of the course.

''(B) In the case of an allowance for a course other than a course referred to in subparagraph (A)—

''(i) at the later of (I) the beginning of the course, or (II) a reasonable time after the request for payment by the individual concerned; and

''(ii) in any amount requested by the individual concerned up to the aggregate amount of monthly allowance otherwise payable under this subchapter for the period of the course.

''(6) The Secretary shall prescribe regulations for purposes of making payments of basic educational allowance on an accelerated basis under this subsection. Such regulations shall specify the circumstances under which accelerated payments should be made and include requirements relating to the request for, making and delivery of, and receipt and use of such payments.''.

SEC. 404. TRANSFER OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE.

(a) AUTHORITY TO TRANSFER TO FAMILY MEMBER.—Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following new section:

''§ 3020. Transfer of entitlement to basic educational assistance

''(a) The Secretary may, for the purpose of enhancing recruiting and retention, and at the Secretary's sole discretion, permit an individual entitled to educational assistance under this subchapter to elect to transfer such individual's entitlement to such assistance, in whole or in part, to the individuals specified in subsection (b).

''(b) An individual's entitlement to educational assistance may be transferred when authorized under subsection (a) as follows:

''(1) To the individual's spouse.

''(2) To one or more of the individual's children.

''(3) To a combination of the individuals referred to in paragraphs (1) and (2).

''(c)(1) An individual electing to transfer an entitlement to educational assistance under this section shall—

''(A) designate the individual or individuals to whom such entitlement is being transferred and the percentage of such entitlement to be transferred to each such individual; and

''(B) specify the period for which the transfer shall be effective for each individual designated under subparagraph (A).

''(2) The aggregate amount of the entitlement transferable by an individual under this section may not exceed the aggregate amount of the entitlement of such individual to educational assistance under this subchapter.

''(3) An individual electing to transfer an entitlement under this section may elect to modify or revoke the transfer at any time before the use of the transferred entitlement. An individual shall make the election by submitting written notice of such election to the Secretary.

''(d)(1) The use of any entitlement transferred under this section shall be charged against the entitlement of the individual making the transfer at the rate of one month for each month of transferred entitlement that is used.

''(2) Except as provided in paragraph (3), an individual using entitlement transferred under this section shall be subject to the provisions of this chapter in such use as if such individual were entitled to the educational assistance covered by the transferred entitlement in the individual's own right.

''(3) Notwithstanding section 3031 of this title, a child shall complete the use of any entitlement transferred to the child under this section before the child attains the age of 26 years.

''(e) In the event of an overpayment of educational assistance with respect to an individual to whom entitlement is transferred under this section, such individual and the individual making the transfer under this section shall be jointly and severally liable to the United States for the amount of the overpayment for purposes of section 3685 of this title.

''(f) The Secretary shall prescribe regulations for purposes of this section. Such regulations shall specify the manner and effect of an election to modify or revoke a transfer of entitlement under subsection (c)(3).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3019 the following new item:

''3020. Transfer of entitlement to basic educational assistance.''.

TITLE V—REPORT

SEC. 501. ANNUAL REPORT ON EFFECTS OF INITIATIVES ON RECRUITMENT AND RETENTION.

(a) REQUIREMENT FOR REPORT.—On December 1 of each year, the Secretary of Defense shall submit to Congress a report that sets forth the Secretary's assessment of the effects that the provisions of this Act and the amendments made by the Act are having on recruitment and retention of personnel for the Armed Forces.

(b) FIRST REPORT.—The first report under this section shall be submitted not later than December 1, 2000.

THE MILITARY RECRUITING AND RETENTION IMPROVEMENT ACT OF 1999—SUMMARY

MILITARY PAY RAISE

4.8% effective January 1, 2000.

Pay raises for FY 2001–2006 ECI + 0.5%.

PAY TABLE REFORM

Targeted raise—weighted to mid-career NCO/Officers.

Minimum 4.8%.

Maximum 10.3%.

Effective July 1, 2000.

MILITARY RETIREMENT

Restore 50% basic pay retirement benefit at 20 years of service as proposed by Secretary Cohen and the Joint Chiefs.

MONTGOMERY GI BILL ENHANCEMENTS

Eliminate $1200 contribution required of members who elect to participate in the GI Bill.

Provide Services with discretionary authority to permit members to transfer benefits to immediate family members.

Increase monthly GI Bill benefit from $528 to $600 for members who serve at least 3 years, and from $429 to $488 for members who serve less than 3 years.

Permit accelerated lump sum benefits for entire term, semester or quarter, or for entire courses not leading to college degree.

THRIFT SAVINGS PLAN

Allow members to contribute up to 5% of basic pay, and all or any part of any enlistment or reenlistment bonus, to the Federal civilian employees Thrift Savings Plan.

EXTENSION OF CRITICAL BONUS AND SPECIAL PAY AUTHORITIES

Extend for three years (through December 31, 2002) authority to pay bonuses and special pays critical to recruiting and retention of military members. Authority to pay these bonuses and special pays expires December 31, 1999 under current law.

ANNUAL REPORTING REQUIREMENT

Require DOD to report annually on the impact of these programs on recruiting and retention.

Critical Bonus and Special Pay Authorities Extended Through December 31, 1999:

Enlistment Bonuses for Members With Critical Skills.

Selected Reserve Enlistment Bonus.

Prior Service Enlistment Bonus.

Ready Reserve Enlistment and Reenlistment Bonus.

Reenlistment Bonus for Active Members.

Selected Reserve Reenlistment Bonus.

Selected Reserve Affiliation Bonus.

Aviation Officer Retention Bonus.

Special Pay for Nuclear-Qualified Officers Extending Period of Active Service.

Nuclear Career Accession Bonus.

Nuclear Career Annual Incentive Bonus.

Special Pay for Health Professionals in Critically Short Wartime Specialties.

Special Pay for Enlisted Members Assigned to Certain High Priority Units.

Repayment of Education Loans for Certain Health Professionals Who Serve in the Selected Reserve.

Nurse Officer Candidate Accession Program.

Accession Bonus for Registered Nurses.

Incentive Special Pay for Nurse Anesthetists.

Mr. ROBB. Mr. President, I am pleased to lend my support to the Military Recruiting and Retention Improvement Act of 1999. For the first time since the late 1970's, military readiness is suffering significantly. We are now paying the price for asking our people to do much more with less and less. As the Service Chiefs have testified, the feedback from our soldiers, sailors, airmen and marines is clear and unambiguous. Low pay, the 40 percent retirement system, military health and education benefits that could stand a shot in the arm—we now have plenty of evidence these things are keeping us from retaining our best and brightest. Equally troubling, our recruiting picture across the services is dismal. These downward trends cannot continue. The Chairman of the Joint Chiefs of Staff warns that ''there is no more shock absorbency left in the system,'' and further that if the trends continue, we will ''find ourselves in a nosedive that might cause irreparable damage to this great force.'' The Army and Air Force Chiefs of Staff, the Chief of Naval Operations, and the Commandant of the Marine Corps all agree that we are only five years away from a hollow force. Put simply, we are placing at risk the future readiness of the finest fighting force in the world.

Mr. President, this bill provides the resources to begin to reverse the steady downward spirals we've seen in military recruiting and retention. It is also a strong signal to our most important asset—our men and women in uniform and their families—that we are serious about taking care of them. In my view, it is nothing more than adequately compensating our people for the job they are already performing. And it is exactly the kind of ''fix'' we in the Congress can, and should, support.

I would like to make one additional point. While we have many pressing longer-term concerns, such as modernizing and recapitalizing our forces for the next century and doing something about the billions of dollars of excess infrastructure the services continue to carry, we simply can't afford to take a ''wait and see'' approach when it comes to taking care of our people. To do otherwise places at risk our future readiness and everything we've worked for, like the ability to mount an operation like ''Desert Fox'' and execute it brilliantly. We can't let that happen.

Mr. LEVIN. Mr. President, I am pleased to join Senator CLELAND, Senator ROBB, and a number of my colleagues today in introducing The Military Recruiting and Retention Improvement Act of 1999. Secretary Cohen, General Shelton, and the Joint Chiefs have told us that the single greatest challenge they face right now is recruiting and retaining the people we need to man our military services. This legislation will go a long way to ensuring that we continue to attract and retain the high quality people that make up our military services today.

Just last month, the men and women of our Armed Forces demonstrated once again that they are by far the best trained, best equipped, best disciplined and most highly skilled and motivated military force in the world. Operation Desert Fox was a large-scale military operation that was carried out flawlessly. It involved 40,000 troops from bases virtually around the world. Over 40 ships performed strike and support roles. Over 600 aircraft sorties were flown in 4 days, and 300 of these were night strike operations.

General Zinni, the commander in charge of Operation Desert Fox, pointed out that even in peacetime an exercise of this scale is very dangerous and stressful. To have achieved all of the objectives of Operation Desert Fox without a single United States or British casualty and without any degradation of our ongoing efforts in Bosnia, Korea, and other critical areas around the world was truly remarkable.

Mr. President, the key to the success of Operation Desert Fox—and the key to the strength and capability of our Armed Forces—is the men and women who serve in uniform. We must do everything we can to ensure that we continue to recruit, train and retain the best of America to serve in our Armed Forces.

Over the past year, there have been growing indications that the military services were beginning to have problems in both recruiting and retention, particularly retaining highly skilled mid-grade officers and enlisted whose skills are in demand in the private sector. To address these problems, last month Secretary Cohen and General Shelton announced a package of improvements in military pay and retirement benefits that will be part of President Clinton's fiscal year 2000 budget. In testimony before the Armed Services Committee on January 5 of this year, General Shelton and all of thee Joint Chiefs said that enactment of this package of pay and benefits was their highest priority.

Mr. President, the bill my colleagues and I are introducing today includes all three parts of the Defense Department's pay and retirement package, as well as some of the key recommendations from the recent report of the Congressional Commission on Servicemembers and Veterans Transition Assistance.

First, it includes an across-the-board pay raise for all military members of 4.8 percent, effective January 1, 2000. This is slightly higher than the 4.4 percent recommended by Secretary Cohen and the Joint Chiefs, but it carries out their stated objective of increasing military pay in FY2000 by one-half a percentage point above the annual increase in the Employment Cost Index (ECI). This 4.8 percent increase will be the largest increase in military pay since 1982.

In addition, our legislation calls for annual increases in military pay of one-half percent above the annual increase in the ECI in each year of the Future Years Defense Plan. Again, this reflects DOD's current plan, and is designed to bring military pay more in line with private sector wages as measured by the ECI.

The second part of DOD's plan included in our legislation is a targeted pay raise that would be effective July 1, 2000. Taken in conjunction with the January 1 4.8-percent across-the-board pay increase, this targeted pay raise increases the pay of mid-grade officers and enlisted personnel, and also for key promotions points, between 4.8 and 10.3 percent.

The third part of the DOD plan included in this legislation is a revision to the Military Retirement Reform Act of 1986. This portion of the legislation would restore the 50-percent basic pay benefit for military members who retire at 20 years of service.

In addition to the package of pay and retirement benefits proposed by Secretary Cohen and the Joint Chiefs, the legislation we are introducing today includes several key recommendations from the recent report of the Congressional Commission on Servicemembers and Veterans Transition Assistance specifically designed to help the military services recruiting and retention efforts.

The most important of these recommendations is a series of improvements to the Montgomery GI Bill. Education benefits are a very important attraction for young people entering the armed forces. Our legislation would increase the basic GI Bill benefit from $528 to $600 per month and eliminate the current requirement for entering service members to contribute $1,200 of their own money to participate in the program. Both of these changes were recommended by the Congressional Commission of Servicemembers and Veterans Transition Assistance to increase the attractiveness of the GI Bill to potential new recruits.

The Commission also recommended, and our legislation includes, a provision to allow service members to transfer their earned GI bill benefits to one or more immediate family members. It is my view, Mr. President, that this will prove to be a very powerful recruiting and retention incentive.

This legislation also includes a provision that would allow military members to participate in the current Thrift Savings Plan available to Federal civil servants. Under our proposal, which follows the recommendation of the Congressional Commission on Servicemembers and Veterans Transition Assistance, military members would be permitted to contribute up to 5 percent of their basic pay, and all or any part of any enlistment or reenlistment bonus, to the Thrift Savings Plan.

Finally, this legislation includes a very important provision that extends for 3 years—through December 31, 2002—the authority for the military services to pay a number of bonuses and special and incentive pays that are critical to recruiting and retaining highly skilled military members. Under current law, the authority to pay these bonuses and special pays runs out at the end of this year. Renewing this authority now through the end of 2002 will reassure military personnel managers—and military members themselves—that these crucial authorities will continue to be available to them.

Mr. President, detailed costing of this legislation will have to be done by the Congressional Budget Office over the next several weeks. In my view, however, the provisions contained in this legislation will not require us to increase the funding for national defense above the levels I understand will be proposed in President Clinton's FY2000–2006 Future Years Defense Plan. We should be able to accommodate any increase in funding necessary for these initiatives from lower priority programs.

I believe this package of pay and benefits is fair and will ensure that we continue to attract and retain high quality people to serve in our armed forces. All of us are committed to the well-being of our military members and their families. There may be some aspects of this legislation that require improvement or modification, and that can be done as the Armed Services Committee begins to review this bill and any other bills that are introduced to address the concerns we all have in this area.

In closing, I want to recognize the leadership of the author of this legislation, Senator MAX CLELAND. Fortunately for the Senate and for the men and women of our armed forces, he will continue to serve as the Ranking Democratic member of the Personnel Subcommittee of the Armed Services Committee during the 106th Congress. Senator ROBB of our Committee has also played an important role in drafting this legislation. Both Senator CLELAND and Senator ROBB have a tremendous commitment to the welfare of the men and women of the Armed Forces and their families.

Mr. President, I look forward to working with Senator CLELAND, Senator ROBB, and all of the cosponsors of this legislation and with all of our colleagues on the Armed Services Committee in the months ahead to secure enactment of this important legislation.

Mr. KENNEDY. Mr. President, all of us commend our troops for their superb performance. Their extraordinary efforts last year in Operation Desert Fox, Hurricane Mitch, Operation Provide Comfort, and in Kenya, and Tanzania highlighted only a few of their significant contributions to the Nation in 1998.

America continues to rely heavily on its Armed Forces, and we want our service members and families to know how proud we in Congress are of their contributions to our country and to our national defense. We are deeply indebted to them for their service, and we have the highest respect for their dedication, their patriotism, and their courage.

This past year once again demonstrated the importance of guaranteeing that our military forces are well prepared to meet any challenge. However, I am very concered about the future readiness of our Armed Forces. I am troubled by reports of declining readiness, poor retention, and recruiting shortfalls.

Two years ago the Army reduced its recuiting standards, and now the Navy has followed suit. Secretary of the Navy Danzig has announced that the Navy is lowering its educational standards for new recruits. This and other reductions in personnel standards by the Navy are taking place because the Navy fell short of its recruiting goals last year for the first time since the draft ended in 1973. Secretary Danzig also recently announced that retention of Naval Officers is so low that the Navy will have 50 percent fewer officers than required to man its ships in the coming years. These are serious concerns that must be addressed, and this legislation does so.

Congress must do all it can to provide for our men and women in the Army, Navy, Air Force, and Marine Corps. They have worked hard for us. Now we must provide the support they need to do their jobs and care for their families.

The Military Recruiting and Retention Improvement Act is a substantial step toward meeting these urgent needs of our service members, and will encourage more of these highly skilled and well-trained men and women to remain in the military ranks. I also hope that the provisions in this act will encourage more of the Nation's young men and women to join the military and serve their country in that way.

Our proposal increases base pay for our troops.

It contains pay table reforms and guaranteed pay raises above inflation.

It restores equity to the military retirement system by providing active duty service members 50 percent retirement after 20 years of service.

It allows service members to transfer hard-earned educational benefits to others in their family.

It provides stability by extending authorities for bonus pay and special pay.

I'm reminded of the words of President Kennedy during an address at the U.S. Naval Academy in August of 1963. That is what he said about a career in the Navy:

> I can imagine a no more rewarding career. And any man who may be asked in this century what he did to make his life worth while, I think can respond with a good deal of pride and satisfaction: ''I served in the United States Navy.''

My brother was a Navy man, but I'm sure that veterans of all the other services in those years felt the same way.

I want to do all I can to see that our service men and women feel the same way today and on into the next century. These personnel issues are important, and Congress has to deal with them effectively and responsibly. The Military Recruiting and Retirement Improvement Act moves our Nation in the right direction, and I look forward to early and favorable action on it by the Senate.

Mr. LIEBERMAN. Mr. President, I want to thank Senator CLELAND and Senator LEVIN for their leadership in developing and offering this bill, and I am pleased to join the other Democratic members of the Senate Armed Services Committee in cosponsoring this initiative aimed at addressing the problem of attracting and retaining the right men and women in the right numbers for our military. The effectiveness of our military, and its readiness to act immediately to protect our national interests, must always be a priority concern of Congress, as the continuing challenges around the world today demonstrate. There are few things that we will do this year that are more important, because the security of our country rests squarely on the shoulders of the men and women that provide our defenses and protect our interests. The outstanding performance of our forces in Desert Fox shows that the American military remains more than equal to the task, and that we have what is unequivocally the number one force in the world. In fact, it may well be the best we have ever fielded. Even at the height of the cold war, with the largest military budgets ever, it is difficult to see those units being able to routinely execute the range of complex operations with the expertise that our units today are doing.

Nonetheless, our military faces readiness problems, many of them serious. They include falling recruiting and retention of critical skills, aging equipment that costs more to keep operating at acceptable levels of reliability, a need for more support services for a force with a high percentage of married personnel, and frequent deployments. Some of these problems will get much more serious unless we act to fix them soon. The military Chiefs of Staff deserve credit for persevering in keeping these challenges to our readiness before us. President Clinton also deserves credit for his decision to increase the defense budget to address these important problems.

But if this increase only fixes the worst of the short term readiness problems and diverts us from seriously addressing the hard long-term questions of readiness and modernization that face us, it could do us as much harm as good. And if it generates a partisan debate over who can increase the defense budget the most, we will be rightly criticized for trying to solve our increasingly complex security problems by throwing money at them, which makes no more sense as a response to our military problems than it did for our social problems.

I think what we are spending money on is just as important as how much we are spending. First, we must demand 100 percent cost effectiveness, the elimination of waste and redundancy, and that includes closing down military facilities (bases and depots) that don't make military-economic sense anymore. Second, as we evaluate our readiness we must persistently ask, ready for what? What are the threats we face today and what are the emerging threats we will face tomorrow. If we do not develop and field the right organizations, weapons, and concepts to meet future challenges, and as a result fail to successfully meet one of

those future challenges to our security, it will not matter much to remind ourselves how ready we were in 1999 when the threats are probably less than they will be then.

As Under Secretary of Defense Gansler has pointed out, the money projected to be added to the defense budget, or any increase we can reasonably foresee, won't be enough to completely pay for both increasing current readiness and meeting the modernization requirements of all the Services. So it is extremely important that we take extraordinary measures to be sure that we are spending our money wisely.

There is no doubt that spending our money to adequately and fairly compensate our military men and women is the wisest use of our defense dollars. Therefore I am very proud that we have recognized this fact by offering this bill outside the normal defense authorization process. Doing so signals the importance we place on our military personnel. I think it is a good bill. I support spending what is necessary. And I think we have gotten it mostly right.

However, I consider this a good point of departure, not a final product. I believe we have not yet done all of the critical analysis necessary to know where the priority should go within the broad category of pay and allowances to most effectively attract and retain the right people. I hope the Senate Armed Services Committee will make this task our highest priority when it is referred to our committee for action. I am sure we will act in a completely bipartisan way to arrive at the best result possible. It is a proud bipartisan tradition of the Senate Armed Services Committee that attracting, retaining, and providing adequately for our men and women in uniform is among our most important responsibilities.

Mr. REED. Mr. President, today I join my colleagues as an original cosponsor of Senator Cleland's Military Recruiting and Retention Improvement Act of 1999.

I am glad we are introducing this bill today because it demonstrates our interest and support for one of the greatest needs of our fighting men and women—improved pay and benefits. As my colleagues know, this is one of the most serious issues likely to come before the Armed Services Committee this year.

Last week, I attended my first hearing as a new member of the committee. I carefully listened to the Joint Chiefs of Staff as they outlined their priorities for the fiscal year 2000 budget. Without exception, each named recruitment and retaining skilled personnel as their top priority. The Joint Chiefs asked us unequivocally to address this issue, and I believe the bill we introduce today places us on the proper path.

This bill will make a difference to men and women when they are deciding to begin or continue a military career. The 4.8 percent pay increase will make their daily lives easier and more enjoyable. Reforming the pay table to provide increases in salaries for midcareer NCOs and officers will not only reward these dedicated men and women for the years they have served our country, but provide an incentive for them to continue their valued work. Renewing the various bonuses for three more years will let our men and women in uniform know that we realize and appreciate the sacrifices they make performing dangerous missions for months at a time far from home.

Perhaps the most unique provisions of the Military Recruiting and Retention Improvement Act are the educational benefits. Military personnel would no longer have to contribute $1,200 to take advantage of the Montgomery GI bill and they would receive increased monthly benefits. In addition, the Service Secretaries would be given the discretion to allow military personnel who qualify to transfer their education benefit to a spouse or child. Education is vital in today's society, yet financing needed training is an enormous burden to shoulder. I believe that many of our men and women in uniform choose to leave the service because they must find a job which will allow them to pay for their children's education. With the provisions in this bill, military personnel can continue their careers and more readily afford the cost of educating their children.

Mr. President, taking care of America's military personnel is one of the most serious responsibilities Congress has. Every day our men and women in uniform risk their lives to defend our country and the principles we champion. It is our obligation to let them know that we appreciate the sacrifices they make on our behalf. If we do not, the entire country will suffer.

Finding the best ways to improve our troop's quality of life is a difficult and complex task. The Military Recruiting and Retention Improvement Act is a sound proposal, but it is only the beginning to a comprehensive solution. We will not find a solution if Democrats and Republicans do not work together. Indeed, care of America's troops has always been an issue in which we have been united and it is my sincere hope that this tradition can continue in the 106th Congress.

Mr. BINGAMAN. Mr. President, I rise to make a few remarks concerning the Military Recruiting and Retention Improvement Act introduced today by my esteemed colleague, Senator CLELAND. During the last session, the Joint Chiefs testified to the need for improving pay and retirement for military personnel as a means to improvement recruitment and retention of service members. This bill proposes some important steps to implement those needs, including the extension of critical bonus and special pay authorities, and deserves careful consideration by the members of the Senate. It is generally acknowledged, however, that the way to improve recruitment and retention goes beyond a bigger paycheck. Senator CLELAND's bill includes an important provision directed toward other motivations to choose military service. I'm speaking of enhancements to the Montgomery GI bill for education benefits.

Mr. President, this bill will provide major new educational benefits to service members and their families that will serve as an incentive to attract high quality recruits to the military. By improving the educational attainment of service personnel and their families, the nation stands to benefit in the long term with a better educated workforce. Surely, we are now able to observe the benefits of full GI bill assistance for veterans of World War II, the Korean War and the Vietnam war who were able to receive sufficient resource to complete college and postgraduate degree programs in compensation for military service. The nation as a whole has prospered by the talented and trained workforce who benefitted from the GI bill.

Senator CLELAND's bill goes beyond even those benefits which, I believe were only extended to service members themselves. According to the legislation proposed, the military services can choose to permit service members to transfer those educational benefits to immediate family members should they choose not to use them for themselves. Again, I believe the nation's labor force will benefit greatly from such flexibility, not to mention the families of our men and women in uniform.

Educational benefits provided by the Military Recruiting and Retention Improvement Act would be increased to reflect the rising cost of education. Monthly benefits would increase from $528 to $600 per month for member who serve at least three years, and from $429 to $498 per month for those who serve less than three years. Lump sum tuition assistance could also be provided under certain circumstances.

Mr. President, these matters are really matters requiring bipartisan cooperation in the Congress that will benefit our service personnel and the Nation. I understand that Senator WARNER, Chairman of the Armed Services Committee, has introduced similar legislation to that offered by Senator CLELAND, myself, and others. I am hopeful that we will review these bills in detail in the Armed Services Committee to determine the best way to proceed to improve recruitment and retention that lies at the heart of both bills. As I indicated, recruitment and retention are affected by a wide variety of causes, only some of which may be

financial. Senator CLELAND's bill calls for an annual report on the impact of the provisions of the bill on recruitment and retention. I believe such an assessment is required. I believe as well, that before the Senate approves legislation, however, it needs to have a more informed view of factors affecting recruitment and retention and of the potential impact of increasing assistance to military personnel on pay and benefits provided to defense and government civilian employees. A report is due soon from the Department of Defense addressing some of those issues. I urge my colleague to pay close attention to its findings and seek answers to the additional questions I have posed in determining how to proceed with legislation that meets national security and budgetary requirements.

By Mr. SMITH of New Hampshire (for himself, Mr. MOYNIHAN, and Mr. MACK):

S. 170. A bill to permit revocation by members of the clergy of their exemption from Social Security coverage; to the Committee on Finance.

OPEN SEASON FOR CLERGY TO ENROLL IN SOCIAL SECURITY

Mr. SMITH of New Hampshire. Mr. President, today I am introducing a bill to allow qualified members of the clergy of all faiths to participate in the Social Security program.

This bill would provide a two-year ''open season'' during which certain ministers who previously had filed for an exemption from Social Security coverage could revoke their exemption. These members of the clergy would become subject to self-employment taxes, and their earnings would be credited for Social Security and Medicare purposes.

Before 1968, a minister was exempt from Social Security coverage unless he or she chose to elect coverage. Since 1968, ministers have been covered by Social Security unless they file an irrevocable exemption with the Internal Revenue Service, usually within two years of beginning their ministry.

On two other occasions, in 1977 and again in 1986, ministers were given a similar opportunity to revoke their exemption from Social Security coverage. Despite the existence of these brief ''open season'' periods, many exempt ministers did not take advantage of or have not had the opportunity to revoke their exemption from Social Security coverage. Because the exemption from Social Security is irrevocable, there is no way for them to gain access to the program under current law.

Only an ''individual who is a duly ordained, commissioned, or licensed minister of a church, or a member of a religious order who has not taken a vow of poverty,'' would be able to revoke his or her exemption from Social Security, under my bill. Of course, this measure would not permit ministers who already have reached retirement age to gain access to the Social Security program.

This bill primarily would benefit modestly paid clergy, who are among the most likely to need Social Security benefits upon retirement. Many chose not to participate in the Social Security program early in their careers, before they fully understood the ramifications of filing for an exemption.

If enacted, this measure would raise about $45 million over the next five years, according to the Congressional Budget Office. CBO has scored the bill as a revenue raiser and, as a result, it will require no budget offset. Over the long-term, the legislation would cost money, but I do not expect its costs to be that significant because CBO has estimated that only about 3,500 members of the clergy would exercise the option that this bill provides.

The need for this legislation was brought to my attention by the distinguished bishop in Manchester, New Hampshire, Reverend Bishop O'Neil. He made me aware of the hardships facing individual ministers who may or may not have any retirement income. The bill also has the endorsement of the U.S. Catholic Conference.

I want to thank my principal cosponsors, Senators MOYNIHAN and MACK, for their support of this much-needed legislation. Let me also point out that this measure is identical to Title 8 of H.R. 3433, the Ticket-to-Work Act, which passed the House of Representatives by a vote of 410 to 1 last June.

In closing, this bill gives members of the clergy a limited opportunity to enroll in the Social Security system, similar to those provided by Congress in 1977 and 1986. Mr. President, I hope that all of my colleagues will support this legislation, which is so important to a number of clergy in the United States.

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

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

S. 170

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

SECTION 1. REVOCATION BY MEMBERS OF THE CLERGY OF EXEMPTION FROM SOCIAL SECURITY COVERAGE.

(a) IN GENERAL.—Notwithstanding section 1402(e)(4) of the Internal Revenue Code of 1986, any exemption which has been received under section 1402(e)(1) of such Code by a duly ordained, commissioned, or licensed minister of a church, a member of a religious order, or a Christian Science practitioner, and which is effective for the taxable year in which this Act is enacted, may be revoked by filing an application therefor (in such form and manner, and with such official, as may be prescribed in regulations made under chapter 2 of such Code), if such application is filed no later than the due date of the Federal income tax return (including any extension thereof) for the applicant's second taxable year beginning after December 31, 1999. Any such revocation shall be effective (for purposes of chapter 2 of such Code and title II of the Social Security Act), as specified in the application, either with respect to the applicant's first taxable year beginning after December 31, 1999, or with respect to the applicant's second taxable year beginning after such date, and for all succeeding taxable years; and the applicant for any such revocation may not thereafter again file application for an exemption under such section 1402(e)(1). If the application is filed after the due date of the applicant's Federal income tax return for a taxable year and is effective with respect to that taxable year, it shall include or be accompanied by payment in full of an amount equal to the total of the taxes that would have been imposed by section 1401 of such Code with respect to all of the applicant's income derived in that taxable year which would have constituted net earnings from self-employment for purposes of chapter 2 of such Code (notwithstanding paragraph (4) or (5) of section 1402(c) of such Code) but for the exemption under section 1402(e)(1) of such Code.

(b) EFFECTIVE DATE.—Subsection (a) shall apply with respect to service performed (to the extent specified in such subsection) in taxable years beginning after December 31, 1999, and with respect to monthly insurance benefits payable under title II of the Social Security Act on the basis of the wages and self-employment income of any individual for months in or after the calendar year in which such individual's application for revocation (as described in such subsection) is effective (and lump-sum death payments payable under such title on the basis of such wages and self-employment income in the case of deaths occurring in or after such calendar year).

Mr. MOYNIHAN. Mr. President, today I join my colleague, Senator BOB SMITH of New Hampshire, in introducing a bill to allow certain members of the clergy who are currently exempt from Social Security an open season to ''opt in.''

Under section 1402 of the Internal Revenue Code, a member of the clergy who is conscientiously, or because of religious principles, opposed to participation in a public insurance program generally, may elect to be exempt from Social Security coverage and payroll taxes by filing an application of exemption with the Internal Revenue Service within two years of beginning the ministry. To be eligible for the exemption, the member of the clergy must be an ''individual who is a fully ordained, commissioned, or licensed minister of a church, or a member of a religious order who has not taken a vow of poverty.'' Once elected this exemption is irrevocable.

This legislation would allow members of the clergy who are not eligible for Social Security a two-year open season in which they could revoke their exemption. At the time of exemption, many clergy did not fully understand the ramifications of their actions, and it is not until later in life, when they are blocked from coverage, that they realize their need for Social

Security and Medicare. This decision to ''opt in'' would be irrevocable and all post-election earnings would be subject to the payroll tax and credited for the purposes of Social Security and Medicare.

The Congressional Budget Office estimates that this legislation would affect approximately 3,500 members of the clergy and would increase revenues by about $45 million over the next five years. Similar legislation was passed both in the 1977 Social Security Amendments (Section 316) and in the Tax Reform Act of 1986 (Section 1704).

This bill has been endorsed by the United States Catholic Conference and the National Conference of Catholic Bishops. It is a simple but much-needed measure, and I urge every member of the Senate to support it.

By Mr. MOYNIHAN (for himself, Mr. LEVIN, Mr. LEAHY, Mr. SCHUMER, Mrs. BOXER, and Mr. CLELAND).

S. 171. A bill to amend the Clean Air Act to limit the concentration of sulfur in gasoline used in motor vehicles; to the Committee on Environment and Public Works.

THE ACID DEPOSITION AND OZONE CONTROL ACT OF 1999

By Mr. MOYNIHAN (for himself, Mr. SCHUMER, and Mr. LIEBERMAN):

S. 172. A bill to reduce acid deposition under the Clean Air Act, and for other purposes; to the Committee on Environment and Public Works.

THE CLEAN GASOLINE ACT OF 1999

Mr. MOYNIHAN. Mr. President, I rise today to introduce two bills which will make significant reductions in the pollutants which most degrade our national air quality. The Acid Deposition and Ozone Control Act of 1999 and the Clean Gasoline Act of 1999 would reduce sulfur dioxide and nitrogen oxide emissions through national ''cap and trade'' programs, and reduce the sulfur content in gasoline, respectively.

We have come a long way since the Clean Air Act Amendments of 1990. Since that last reauthorization effort, we have successfully reduced emissions of the pollutants we set out to regulate and tremendously expanded our understanding of the causes and effects of major environmental problems such as acid deposition, ozone pollution, decreased visibility, and eutrophication of coastal waters. We can be proud of these accomplishments, but we have a long way to go yet. Since 1990 we have learned, for instance, that the sulfur dioxide (SO_2) emissions reductions required under the Clean Air Act Amendments of 1990 are insufficient to prevent continued damage to human health and sensitive ecosystems. We have also learned that nitrogen oxides (NO_X), which we largely ignored nine years ago, are significant contributors to our nation's many air quality deficiencies. And finally, we have demonstrated that legislation containing regulatory flexibility and market incentives is preferable to the traditional ''command and control'' approach. My bills seek to build upon this new body of knowledge by combining the best and most current scientific evaluation of our environmental needs with the most effective and efficient regulatory framework.

The scientific data indicate that the 1990 Amendments did not go far enough to prevent continued human health and ecosystem damage from SO_2 and NO_X. We now know that ozone pollution, caused in large part by NO_X emissions, can have a terrible effect on human respiratory functions. The Harvard University School of Public Health's 1996 study of ozone pollution established a strong link between ground level ozone pollution and 30,000–50,000 emergency room visits during the 1993 and 1994 ozone seasons. Ecosystems continue to suffer, too. The 1998 report of the National Acid Precipitation Assessment Program (NAPAP) indicates that sulfate concentrations of surface waters in the Southern Appalachian Mountains have been increasing steadily for more than a decade, making for an increasingly inhospitable environment for trout and other fish species. There are other types of problems, too. Visitors to our nation's national parks and wilderness areas find that it is more difficult than ever before to enjoy these scenic vistas. It is becoming increasingly difficult to see through the haze which clogs the air in our national parks.

Scientists have produced volumes of scientific literature on ozone, acid deposition, regional haze, and other air quality problems over the past decade. We now know much more about the causes of these problems than we did in 1990. We know that NO_X emissions, which we underestimated as a cause of air pollution, in fact play an important role in the formation of ground level ozone, acide deposition, and nitrogen deposition. We know that sulfur dioxide not only contributes significantly to acid deposition, but also to reduced visibility in our great scenic vistas.

The most recent NAPAP report reflects this changing body of knowledge. The NAPAP report notes that NO_X make a highly significant contribution to the occurrence of acid deposition and nitrogen saturation on both land and water. According to NAPAP, a majority of Adirondack lakes have not shown recovery from high acidity levels first detected decades ago. Forests, streams, and rivers outside of New York, in the Front Range of Colorado, the Great Smoky Mountains of Tennessee, and the San Gabriel and San Bernardino Mountains of California are also now showing the effects of acidification and nitrogen saturation.

And mountains are not the only ecosystems affected. The Ecological Society of America, the nation's leading professional society of ecologists, issued a report in late 1997 which notes that airborne deposition of nitrogen accounts for a significant percentage of the nitrogen content of coastal water bodies stretching from the Gulf Coast up and around the entire length of the eastern seaboard. The Chesapeake Bay is believed to receive 27 percent of its nitrogen load directly from the atmosphere. For Tampa Bay, the figure is 28 percent. For the coastal waters of the Newport River in North Carolina, more than 35 percent.

Clearly, any serious effort to address these problems must address NO_X emissions and further reduce SO_2 emissions. My bills address the major sources of NO_X and SO_2. The Acid Deposition and Ozone Control Act of 1998 would affect ''stationary sources'' of NO_X and SO_2, mainly electric utilities, and the Clean Gasoline Act of 1999 would affect ''mobile sources'', mainly cars and trucks, of NOx and other tailpipe emissions.

ACID DEPOSITION AND OZONE CONTROL ACT: CONTROLLING STATIONARY SOURCES

When we designed the SO_2 Allowance Program in 1990, our task was simplified by the fact that over 85 percent of SO_2 emissions originated in fossil fuel-fired electric utilities. Utility emissions account for just under 30 percent of total NO_X emissions, a smaller share, but large enough to merit attention. My bill establishes a year-round cap-and-trade program for NO_X emissions from the utility sector and mandates a further 50 percent cut in emissions of SO_2 through the existing cap and trade program. Because of the human health risks of urban ozone pollution during the summer months, the Acid Deposition and Ozone Control Act requires utilities to surrender two allowances for each ton of NO_X emitted between May and September. During the remainder of the year, only one allowance is required to produce one ton of NO_X emissions. In this way, utilities are encouraged to make the greatest reductions during the summer, when the collective risk to human health from these emissions is higher.

In light of the impressive success and cost effectiveness of the cap and trade program which regulates SO_2, the Acid Deposition and Ozone Control Act is designed to build onto it as seamlessly as possible by establishing a ''Phase III'' under the existing program. Under the proposed Phase III, total utility emissions of SO_2 would be reduced to just under 4.5 million tons per year, significantly reducing acid deposition and improving visibility in our Nation's scenic vistas.

THE CLEAN GASOLINE ACT OF 1999: ADDRESSING MOBILE SOURCES

This bill establishes a national, year-round cap on the sulfur content of gasoline sold in the United States. The bill

would extend the so-called California gasoline sulfur standard nationwide. The benefits of reducing gasoline sulfur would be dramatic and virtually immediate.

The presence of sulfur in gasoline increases vehicle emissions because sulfur poisons the catalytic converter used in the vehicle's emissions control system. Sulfur is a pollutant only: its presence (or absence) does not effect engine performance. In the 1970's, we fought to remove lead from gasoline to make possible the introduction of catalytic converters. Until recently, we did not appreciate that sulfur is a catalyst poison, too. All vehicles in the national fleet with catalytic converters—virtually all vehicles—produce higher levels of NO_X because of the high levels of sulfur in the gasoline they burn.

The cost of gasoline would rise under this bill—by a nickel a gallon at the retail level, at most. For a car driven 15,000 miles per year that achieves 15 miles per gallon, the cost of the Clean Gasoline Act would be $50 annually. Keep in mind, however, that gasoline prices, adjusted for inflation, are cheaper now than they have been at any time since 1950, the beginning point of our analysis. And the benefits to human health and the environment of reducing gasoline sulfur far outweigh this modest cost.

A recent study by the State and Territorial Air Pollution Program Administrators and the Association of Local Air Pollution Control Officials (STAPPA-ALAPCO) found that reducing gasoline sulfur levels to 40 parts per million, the California standard, would bring an air quality benefit equivalent to removing nearly 54 million vehicles from our national fleet. New York City alone would have a benefit equal to removing 3 million vehicles from its streets. We must not pass up the opportunity to make such large gains in emissions reductions for such a minor cost.

As I mentioned earlier, I am proud of what we accomplished in enacting the Clean Air Act Amendments of 1990. The SO_2 Allowance Program established by that legislation has achieved extraordinary benefits at program compliance costs less than half of initial projections. The efficacy of the approach is proven. The current science indicates, however, that we did not go far enough in 1990 in setting our emissions reduction targets. The bills I have introduced endeavor to build upon our accomplishments thus far, and to begin the work which remains to be done. I encourage my colleagues to join myself and Mr. Schumer in sponsoring the Acid Deposition and Ozone Control Act of 1999, and to join myself and Mr. LEVIN, Mr. LEAHY, Mr. SCHUMER, Mrs. BOXER, Mr. CLELAND, and Mr. JEFFORDS in sponsoring the Clean Gasoline Act of 1999.

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

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

S. 171

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 ''Clean Gasoline Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) according to the National Air Quality and Emissions Trends Report of the Environmental Protection Agency, dated 1996, motor vehicles account for a major portion of the emissions that degrade the air quality of the United States: 49 percent of nitrogen oxides emissions, 26 percent of emissions of particulate matter with an aerodynamic diameter smaller than or equal to 10 micrometers (PM–10), and 78 percent of carbon monoxide emissions;

(2)(A) failure to control gasoline sulfur concentration adversely affects catalytic converter function for all vehicles in the national vehicle fleet; and

(B) research performed collaboratively by the auto and oil industries demonstrates that when sulfur concentration in motor vehicle gasoline is reduced from 450 parts per million (referred to in this section as ''ppm'') to 50 ppm—

(i) hydrocarbon emissions are reduced by 18 percent;

(ii) carbon monoxide emissions are reduced by 19 percent; and

(iii) nitrogen oxide emissions are reduced by 8 percent;

(3)(A) recent studies conducted by the Association of International Automobile Manufacturers, and the Coordinating Research Council confirm that sulfur in vehicle fuel impairs to an even greater degree the emission controls of Low-Emission Vehicles (referred to in this section as ''LEVs'') and Ultra-Low-Emission Vehicles (referred to in this section as ''ULEVs'');

(B) because sulfur-induced impairment of advanced technology emission control systems is not fully reversible under normal in-use driving conditions, a nationwide, year-round sulfur standard is necessary to prevent impairment of vehicles' emission control systems as the vehicles travel across State lines;

(C) industry research on LEVs and ULEVs demonstrates that when gasoline sulfur concentration is lowered from 330 ppm to 40 ppm—

(i) hydrocarbon emissions are reduced by 34 percent;

(ii) carbon monoxide emissions are reduced by 43 percent; and

(iii) nitrogen oxide emissions are reduced by 51 percent;

(D) failure to control sulfur in gasoline will inhibit the introduction of more fuel-efficient technologies, such as direct injection engines and ''NO_X trap'' after-treatment technology, which require fuel with a very low concentration of sulfur;

(E) the technology for removing sulfur from fuel during the refining process is readily available and currently in use; and

(F) the reduction of sulfur concentrations in fuel to the level required by this Act is a cost-effective means of improving air quality;

(4)(A) gasoline sulfur levels in the United States—

(i) average between 300 and 350 ppm and range as high as 1000 ppm; and

(ii) are far higher than the levels allowed in many other industrialized nations, and higher than the levels allowed by some developing nations;

(B) the European Union recently approved a standard of 150 ppm to take effect in 2000, to be phased down to 30 through 50 ppm by 2005;

(C) Japan has a standard of 50 ppm; and

(D) gasoline and diesel fuel in Australia, New Zealand, Taiwan, Hong Kong, Thailand, and Finland have significantly lower sulfur concentrations than comparable gasoline and diesel fuel in the United States;

(5)(A) California is the only State that regulates sulfur concentration in all gasoline sold; and

(B) in June 1996, California imposed a 2-part limitation on sulfur concentration in gasoline: a 40 ppm per gallon maximum, or a 30 ppm per gallon annual average with an 80 ppm per gallon maximum;

(6)(A) a 1998 regulatory impact analysis by the California Air Resources Board reports that air quality improved significantly in the year following the introduction of low sulfur gasoline; and

(B) the California Air Resources Board credits low sulfur gasoline with reducing ozone levels by 10 percent on the South Coast, 12 percent in Sacramento, and 2 percent in the Bay Area; and

(7)(A) reducing sulfur concentration in gasoline to the level required by this Act is a cost-effective pollution prevention measure that will provide significant and immediate benefits; and

(B) unlike vehicle hardware requirements that affect only new model years, sulfur control produces the benefits of reduced emissions of air pollutants across the vehicle fleet immediately upon implementation.

SEC. 3. SULFUR CONCENTRATION REQUIREMENTS FOR GASOLINE.

(a) IN GENERAL.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended—

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n) the following:

''(o) SULFUR CONCENTRATION REQUIREMENTS FOR GASOLINE.—

''(1) IN GENERAL.—

''(A) REQUIREMENT.—Subject to subparagraph (B), effective beginning 4 years after the date of enactment of this paragraph, a person shall not manufacture, sell, supply, offer for sale or supply, dispense, transport, or introduce into commerce motor vehicle gasoline that contains a concentration of sulfur that is greater than 40 parts per million per gallon of gasoline.

''(B) ALTERNATIVE METHOD OF MEASURING COMPLIANCE.—A person shall not be considered to be in violation of paragraph (1) if the person manufactures, sells, supplies, offers for sale or supply, dispenses, transports, or introduces into commerce, during any 1-year period, motor vehicle gasoline that contains a concentration of sulfur that is greater than 40 but less than or equal to 80 parts per million per gallon of gasoline, if the average concentration of sulfur in the motor vehicle gasoline manufactured, sold, supplied, offered for sale or supply, dispensed, transported, or introduced into commerce by the person during the period is less than 30 parts per million per gallon of gasoline.

''(C) REGULATIONS.—The Administrator shall promulgate such regulations as are necessary to carry out this paragraph.

''(2) LOWER SULFUR CONCENTRATION.—

''(A) REPORT.—

''(i) INITIAL REPORT.—Not later than 6 years after the date of enactment of this subsection, the Administrator shall submit to Congress a report that documents the effects of use of low sulfur motor vehicle gasoline on urban and regional air quality.

''(ii) FOLLOWUP REPORT.—Not later than 2 years after the date of the initial report under clause (i), the Administrator shall submit a report updating the information contained in the initial report.

''(B) REGULATION.—After the date of the initial report under subparagraph (A)(i), the Administrator may promulgate a regulation to establish maximum and average allowable sulfur concentrations in motor vehicle gasoline that are lower than the concentrations specified in paragraph (1) if the Administrator determines that—

''(i) research conducted after the date of enactment of this subsection indicates that significant air quality benefits would result from a reduction in allowable sulfur concentration in motor vehicle gasoline; or

''(ii) advanced vehicle technologies have been developed that can significantly reduce emissions of air pollutants from motor vehicles but that require motor vehicle gasoline with a lower concentration of sulfur than that specified in paragraph (1).''.

(b) PENALTIES AND INJUNCTIONS.—Section 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is amended—

(1) in paragraph (1), by striking ''or (n)'' each place it appears and inserting ''(n), or (o)''; and

(2) in paragraph (2), by striking ''and (n)'' each place it appears and inserting ''(n), and (o)''.

S. 172

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 ''Acid Deposition and Ozone Control Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) reductions of atmospheric nitrogen oxide and sulfur dioxide from utility plants, in addition to the reductions required under the Clean Air Act (42 U.S.C. 7401 et seq.), are needed to reduce acid deposition and its serious adverse effects on public health, natural resources, building structures, sensitive ecosystems, and visibility;

(2) nitrogen oxide and sulfur dioxide contribute to the development of fine particulates, suspected of causing human mortality and morbidity to a significant extent;

(3) regional nitrogen oxide reductions of 50 percent in the Eastern United States, in addition to the reductions required under the Clean Air Act, may be necessary to protect sensitive watersheds from the effects of nitrogen deposition;

(4) without reductions in nitrogen oxide and sulfur dioxide, the number of acidic lakes in the Adirondacks in the State of New York is expected to increase by up to 40 percent by 2040; and

(5) nitrogen oxide is highly mobile and can lead to ozone formation hundreds of miles from the emitting source.

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

(1) to recognize the current scientific understanding that emissions of nitrogen oxide and sulfur dioxide, and the acid deposition resulting from emissions of nitrogen oxide and sulfur dioxide, present a substantial human health and environmental risk;

(2) to require reductions in nitrogen oxide and sulfur dioxide emissions;

(3) to support the efforts of the Ozone Transport Assessment Group to reduce ozone pollution;

(4) to reduce utility emissions of nitrogen oxide by 70 percent from 1990 levels; and

(5) to reduce utility emissions of sulfur dioxide by 50 percent after the implementation of phase II sulfur dioxide requirements under section 405 of the Clean Air Act (42 U.S.C. 7651d).

SEC. 3. DEFINITIONS.

In this Act:

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

(2) AFFECTED FACILITY.—The term ''affected facility'' means a facility with 1 or more combustion units that serve at least 1 electricity generator with a capacity equal to or greater than 25 megawatts.

(3) NO_X ALLOWANCE.—The term ''NO_X allowance'' means a limited authorization under section 4(3) to emit, in accordance with this Act, quantities of nitrogen oxide.

(4) MMBTU.—The term ''mmBtu'' means 1,000,000 British thermal units.

(5) PROGRAM.—The term ''Program'' means the Nitrogen Oxide Allowance Program established under section 4.

(6) STATE.—The term ''State'' means the 48 contiguous States and the District of Columbia.

SEC. 4. NITROGEN OXIDE ALLOWANCE PROGRAM.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—Not later than 18 months after the date of enactment of this Act, the Administrator shall establish a program to be known as the ''Nitrogen Oxide Allowance Program''.

(2) SCOPE.—The Program shall be conducted in the 48 contiguous States and the District of Columbia.

(3) NO_X ALLOWANCES.—

(A) ALLOCATION.—The Administrator shall allocate under paragraph (4)—

(i) for each of calendar years 2002 through 2004, 5,400,000 NO_X allowances; and

(ii) for calendar year 2005 and each calendar year thereafter, 3,000,000 NO_X allowances.

(B) USE.—Each NO_X allowance shall authorize an affected facility to emit—

(i) 1 ton of nitrogen oxide during each of the months of October, November, December, January, February, March, and April of any year; or

(ii) ½ ton of nitrogen oxide during each of the months of May, June, July, August, and September of any year.

(4) ALLOCATION.—

(A) DEFINITION OF TOTAL ELECTRIC POWER.—In this paragraph, the term ''total electric power'' means all electric power generated by utility and nonutility generators for distribution, including electricity generated from solar, wind, hydro power, nuclear power, cogeneration facilities, and the combustion of fossil fuel.

(B) ALLOCATION OF ALLOWANCES.—The Administrator shall allocate annual NO_X allowances to each of the States in proportion to the State's share of the total electric power generated in all of the States.

(C) PUBLICATION.—The Administrator shall publish in the Federal Register a list of each State's NO_X allowance allocation—

(i) by December 1, 2000, for calendar years 2002 through 2004;

(ii) by December 1, 2002, for calendar years 2005 through 2007; and

(iii) by December 1 of each calendar year after 2002, for the calendar year that begins 61 months thereafter.

(5) INTRASTATE DISTRIBUTION.—

(A) IN GENERAL.—A State may submit to the Administrator a report detailing the distribution of NO_X allowances of the State to affected facilities in the State—

(i) not later than September 30, 2001, for calendar years 2002 through 2004;

(ii) not later than September 30, 2003, for calendar years 2005 through 2012; and

(iii) not later than September 30 of each calendar year after 2013, for the calendar year that begins 61 months thereafter.

(B) ACTION BY THE ADMINISTRATOR.—If a State submits a report under subparagraph (A) not later than September 30 of the calendar year specified in subparagraph (A), the Administrator shall distribute the NO_X allowances to affected facilities in the State as detailed in the report.

(C) LATE SUBMISSION OF REPORT.—A report submitted by a State after September 30 of a specified year shall be of no effect.

(D) DISTRIBUTION IN ABSENCE OF A REPORT.—

(i) IN GENERAL.—Subject to subsection (e), if a State does not submit a report under subparagraph (A) not later than September 30 of the calendar year specified in subparagraph (A), the Administrator shall, not later than November 30 of that calendar year, distribute the NO_X allowances for the calendar years specified in subparagraph (A) to each affected facility in the State in proportion to the affected facility's share of the total electric power generated in the State.

(ii) DETERMINATION OF FACILITY'S SHARE.—In determining an affected facility's share of total electric power generated in a State, the Administrator shall consider the net electric power generated by the facility and the State to be—

(I) for calendar years 2002 through 2004, the average annual amount of electric power generated, by the facility and the State, respectively, in calendar years 1997 through 1999;

(II) for calendar years 2005 through 2012, the average annual amount of electric power generated, by the facility and the State, respectively, in calendar years 1999 through 2001; and

(III) for calendar year 2013 and each calendar year thereafter, the amount of electric power generated, by the facility and the State, respectively, in the calendar year 5 years previous to the year for which the determination is made.

(E) JUDICIAL REVIEW.—A distribution of NO_X allowances by the Administrator under subparagraph (D) shall not be subject to judicial review.

(b) NO_X ALLOWANCE TRANSFER SYSTEM.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Administrator shall promulgate a NO_X allowance system regulation under which a NO_X allowance allocated under this Act may be transferred among affected facilities and any other person.

(2) ESTABLISHMENT.—The regulation shall establish the NO_X allowance system under this section, including requirements for the allocation, transfer, and use of NO_X allowances under this Act.

(3) USE OF NO_X ALLOWANCES.—The regulation shall—

(A) prohibit the use (but not the transfer in accordance with paragraph (5)) of any NO_X allowance before the calendar year for which the NO_X allowance is allocated; and

(B) provide that the unused NO_X allowances shall be carried forward and added to

NO_X allowances allocated for subsequent years.

(4) CERTIFICATION OF TRANSFER.—A transfer of a NO_X allowance shall not be effective until a written certification of the transfer, signed by a responsible official of the person making the transfer, is received and recorded by the Administrator.

(c) NO_X ALLOWANCE TRACKING SYSTEM.—Not later than 18 months after the date of enactment of this Act, the Administrator shall promulgate regulations for issuing, recording, and tracking the use and transfer of NO_X allowances that shall specify all necessary procedures and requirements for an orderly and competitive functioning of the NO_X allowance system.

(d) PERMIT REQUIREMENTS.—A NO_X allowance allocation or transfer shall, on recordation by the Administrator, be considered to be a part of each affected facility's operating permit requirements, without a requirement for any further permit review or revision.

(e) NEW SOURCE RESERVE.—

(1) IN GENERAL.—For a State for which the Administrator distributes NO_X allowances under subsection (a)(5)(D), the Administrator shall place 10 percent of the total annual NO_X allowances of the State in a new source reserve to be distributed by the Administrator—

(A) for calendar years 2002 through 2005, to sources that commence operation after 1998;

(B) for calendar years 2006 through 2011, to sources that commence operation after 2000; and

(C) for calendar year 2012 and each calendar year thereafter, to sources that commence operation after the calendar year that is 5 years previous to the year for which the distribution is made.

(2) SHARE.—For a State for which the Administrator distributes NO_X allowances under subsection (a)(5)(D), the Administrator shall distribute to each new source a number of NO_X allowances sufficient to allow emissions by the source at a rate equal to the lesser of the new source performance standard or the permitted level for the full nameplate capacity of the source, adjusted pro rata for the number of months of the year during which the source operates.

(3) UNUSED NO_X ALLOWANCES.—

(A) IN GENERAL.—During the period of calendar years 2000 through 2005, the Administrator shall conduct auctions at which a NO_X allowance remaining in the new source reserve that has not been distributed under paragraph (2) shall be offered for sale.

(B) OPEN AUCTIONS.—An auction under subparagraph (A) shall be open to any person.

(C) CONDUCT OF AUCTION.—

(i) METHOD OF BIDDING.—A person wishing to bid for a NO_X allowance at an auction under subparagraph (A) shall submit (by a date set by the Administrator) to the Administrator (on a sealed bid schedule provided by the Administrator) an offer to purchase a specified number of NO_X allowances at a specified price.

(ii) SALE BASED ON BID PRICE.—A NO_X allowance auctioned under subparagraph (A) shall be sold on the basis of bid price, starting with the highest priced bid and continuing until all NO_X allowances for sale at the auction have been sold.

(iii) NO MINIMUM PRICE.—A minimum price shall not be set for the purchase of a NO_X allowance auctioned under subparagraph (A).

(iv) REGULATIONS.—The Administrator, in consultation with the Secretary of the Treasury, shall promulgate a regulation to carry out this paragraph.

(D) USE OF NO_X ALLOWANCES.—A NO_X allowance purchased at an auction under subparagraph (A) may be used for any purpose and at any time after the auction that is permitted for use of a NO_X allowance under this Act.

(E) PROCEEDS OF AUCTION.—The proceeds from an auction under this paragraph shall be distributed to the owner of an affected source in proportion to the number of allowances that the owner would have received but for this subsection.

(f) NATURE OF NO_X ALLOWANCES.—

(1) NOT A PROPERTY RIGHT.—A NO_X allowance shall not be considered to be a property right.

(2) LIMITATION OF NO_X ALLOWANCES.—Notwithstanding any other provision of law, the Administrator may terminate or limit a NO_X allowance.

(g) PROHIBITIONS.—

(1) IN GENERAL.—After January 1, 2000, it shall be unlawful—

(A) for the owner or operator of an affected facility to operate the affected facility in such a manner that the affected facility emits nitrogen oxides in excess of the amount permitted by the quantity of NO_X allowances held by the designated representative of the affected facility; or

(B) for any person to hold, use, or transfer a NO_X allowance allocated under this Act, except as provided under this Act.

(2) OTHER EMISSION LIMITATIONS.—Section 407 of the Clean Air Act (42 U.S.C. 7651f) is repealed.

(3) TIME OF USE.—A NO_X allowance may not be used before the calendar year for which the NO_X allowance is allocated.

(4) PERMITTING, MONITORING, AND ENFORCEMENT.—Nothing in this section affects—

(A) the permitting, monitoring, and enforcement obligations of the Administrator under the Clean Air Act (42 U.S.C. 7401 et seq.); or

(B) the requirements and liabilities of an affected facility under that Act.

(h) SAVINGS PROVISIONS.—Nothing in this section—

(1) affects the application of, or compliance with, the Clean Air Act (42 U.S.C. 7401 et seq.) for an affected facility, including the provisions related to applicable national ambient air quality standards and State implementation plans;

(2) requires a change in, affects, or limits any State law regulating electric utility rates or charges, including prudency review under State law;

(3) affects the application of the Federal Power Act (16 U.S.C. 791a et seq.) or the authority of the Federal Energy Regulatory Commission under that Act; or

(4) interferes with or impairs any program for competitive bidding for power supply in a State in which the Program is established.

SEC. 5. INDUSTRIAL SOURCE MONITORING.

Section 412(a) of the Clean Air Act (42 U.S.C. 7651k(a)) is amended in the first sentence by inserting ", or of any industrial facility with a capacity of 100 or more mmBtu's per hour," after "The owner and operator of any source subject to this title".

SEC. 6. EXCESS EMISSIONS PENALTY.

(a) IN GENERAL.—

(1) LIABILITY.—The owner or operator of an affected facility that emits nitrogen oxides in any calendar year in excess of the NO_X allowances the owner or operator holds for use for the facility for that year shall be liable for the payment of an excess emissions penalty.

(2) CALCULATION.—The excess emissions penalty shall be calculated by multiplying $6,000 by the quantity that is equal to—

(A) the quantity of NO_X allowances that would authorize the nitrogen oxides emitted by the facility for the calendar year; minus

(B) the quantity of NO_X allowances that the owner or operator holds for use for the facility for that year.

(3) OVERLAPPING PENALTIES.—A penalty under this section shall not diminish the liability of the owner or operator of an affected facility for any fine, penalty, or assessment against the owner or operator for the same violation under any other provision of law.

(b) EXCESS EMISSIONS OFFSET.—

(1) IN GENERAL.—The owner or operator of an affected facility that emits nitrogen oxide during a calendar year in excess of the NO_X allowances held for the facility for the calendar year shall offset in the following calendar year a quantity of NO_X allowances equal to the number of NO_X allowances that would authorize the excess nitrogen oxides emitted.

(2) PROPOSED PLAN.—Not later than 60 days after the end of the year in which excess emissions occur, the owner or operator of an affected facility shall submit to the Administrator and the State in which the affected facility is located a proposed plan to achieve the offset required under paragraph (1).

(3) CONDITION OF PERMIT.—On approval of the proposed plan by the Administrator, as submitted, or as modified or conditioned by the Administrator, the plan shall be considered a condition of the operating permit for the affected facility without further review or revision of the permit.

(c) PENALTY ADJUSTMENT.—The Administrator shall annually adjust the amount of the penalty specified in subsection (a) to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics.

SEC. 7. SULFUR DIOXIDE ALLOWANCE PROGRAM REVISIONS.

Section 402 of the Clean Air Act (42 U.S.C. 7651a) is amended by striking paragraph (3) and inserting the following:

"(3) ALLOWANCE.—The term 'allowance' means an authorization, allocated to an affected unit by the Administrator under this title, to emit, during or after a specified calendar year—

"(A) in the case of allowances allocated for calendar years 1997 through 2004, 1 ton of sulfur dioxide; and

"(B) in the case of allowances allocated for calendar year 2005 and each calendar year thereafter, ½ ton of sulfur dioxide.".

SEC. 8. REGIONAL ECOSYSTEMS.

(a) REPORT.—

(1) IN GENERAL.—Not later than December 31, 2002, the Administrator shall submit to Congress a report identifying objectives for scientifically credible environmental indicators, as determined by the Administrator, that are sufficient to protect sensitive ecosystems of the Adirondack Mountains, mid-Appalachian Mountains, Rocky Mountains, and Southern Blue Ridge Mountains and water bodies of the Great Lakes, Lake Champlain, Long Island Sound, and the Chesapeake Bay.

(2) ACID NEUTRALIZING CAPACITY.—The report under paragraph (1) shall—

(A) include acid neutralizing capacity as an indicator; and

(B) identify as an objective under paragraph (1) the objective of increasing the proportion of water bodies in sensitive receptor areas with an acid neutralizing capacity greater than zero from the proportion identified in surveys begun in 1984.

(3) UPDATED REPORT.—Not later than December 31, 2008, the Administrator shall submit to Congress a report updating the report under paragraph (1) and assessing the status and trends of various environmental indicators for the regional ecosystems referred to in paragraph (1).

(4) REPORTS UNDER THE NATIONAL ACID PRECIPITATION ASSESSMENT PROGRAM.—The reports under this subsection shall be subject to the requirements applicable to a report under section 103(j)(3)(E) of the Clean Air Act (42 U.S.C. 7403(j)(3)(E)).

(b) REGULATIONS.—

(1) DETERMINATION.—Not later than December 31, 2008, the Administrator shall determine whether emissions reductions under section 4 are sufficient to ensure achievement of the objectives stated in subsection (a)(1).

(2) PROMULGATION.—If the Administrator determines under paragraph (1) that emissions reductions under section 4 are not sufficient to ensure achievement of the objectives identified in subsection (a)(1), the Administrator shall promulgate, not later than 2 years after making the finding, such regulations, including modification of nitrogen oxide and sulfur dioxide allowance allocations or any such measure, as the Administrator determines are necessary to protect the sensitive ecosystems described in subsection (a)(1).

SEC. 9. GENERAL COMPLIANCE WITH OTHER PROVISIONS.

Except as expressly provided in this Act, compliance with this Act shall not exempt or exclude the owner or operator of an affected facility from compliance with any other law.

SEC. 10. MERCURY EMISSION STUDY AND CONTROL.

(a) STUDY AND REPORT.—The Administrator shall—

(1) study the practicality of monitoring mercury emissions from all combustion units that have a capacity equal to or greater than 250 mmBtu's per hour; and

(2) not later than 2 years after the date of enactment of this Act, submit to Congress a report on the results of the study.

(b) REGULATIONS CONCERNING MONITORING.—Not later than 1 year after the date of submission of the report under subsection (a), the Administrator shall promulgate a regulation requiring the reporting of mercury emissions from units that have a capacity equal to or greater than 250 mmBtu's per hour.

(c) EMISSION CONTROLS.—

(1) IN GENERAL.—Not later than 1 year after the commencement of monitoring activities under subsection (b), the Administrator shall promulgate a regulation controlling electric utility and industrial source emissions of mercury.

(2) FACTORS.—The regulation shall take into account technological feasibility, cost, and the projected reduction in levels of mercury emissions that will result from implementation of this Act.

SEC. 11. DEPOSITION RESEARCH BY THE ENVIRONMENTAL PROTECTION AGENCY.

(a) IN GENERAL.—The Administrator shall establish a competitive grant program to fund research related to the effects of nitrogen deposition on sensitive watersheds and coastal estuaries in the Eastern United States.

(b) CHEMISTRY OF LAKES AND STREAMS.—

(1) INITIAL REPORT.—Not later than September 30, 2001, the Administrator shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Resources of the House of Representatives a report on the health and chemistry of lakes and streams of the Adirondacks that were subjects of the report transmitted under section 404 of Public Law 101–549 (commonly known as the ''Clean Air Act Amendments of 1990'') (104 Stat. 2632).

(2) FOLLOWING REPORT.—Not later than 2 years after the date of the report under paragraph (1), the Administrator shall submit a report updating the information contained in the initial report.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) to carry out subsection (a), $1,000,000 for each of fiscal years 2000 through 2005; and

(2) to carry out subsection (b), $1,000,000 for each of fiscal years 2000, 2001, 2007, and 2008.

By Mr. MOYNIHAN:

S. 173. A bill to amend the Immigration and Nationality Act to revise amendments made by the Illegal Immigration Reform and Immigrant Responsibility Act; to the Committee on the Judiciary.

AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT

Mr. MOYNIHAN. Mr. President, today I rise to introduce a bill that will amend several parts of our existing immigration laws, specifically those that fall under the umbrella of the Immigration and Nationality Act. These changes are aimed at making our immigration laws not only fairer but more efficient.

The first change will amend Section 240(a) of the Immigration and Nationality Act. In 1996, the laws applying to criminal aliens were made overly restrictive. For example, all persons guilty of aggravated felonies—the number of crimes that fall into this category was greatly expanded and made retroactive in 1996—are now ineligible for virtually any form of leniency. This means that many people, who have led exemplary lives for many years, now find themselves deportable for offenses committed decades ago. They are also subject to mandatory detention and have no chance for an immigration judge to evaluate their individual circumstances. This is unfair.

My second change amends Section 240A.(1)(a) of the same act. At present, the Attorney General has the authority to stop the deportation of a lawful resident who has been in this country for seven years. The 1996 changes to the Immigration and Nationality Act now bar this relief for anyone convicted of an aggravated felony. This provision has led to many injustices because of the sheer number of offenses that are now aggravated felonies. I propose that we deny relief only to those who have been convicted of aggravated felonies that carry a penalty of five years or more in prison.

In conjunction with this, I propose that we amend Section 240A(d)(1). This provision says that the time for determining the above seven years residency period stops when an aggravated crime is or was committed. This has barred relief for people with ancient convictions but many good years of citizenship since then. This should be changed so that the countable residence period stops only when formal immigration charges are filed because of the crime and not when the crime is or was committed.

Another of my amendments made the transitional rules permanent governing Section 236(c) of the Immigration and Nationality Act. This section now requires that all criminal aliens be detained from the time of their release on criminal charges until their deportation hearing. This requirement was so harsh and expensive that Congress provided a two-year transition period, ending on October 1998, that allowed immigration judges to use their discretion in evaluating whether or not an individual was a risk of flight or a danger to the community. This discretion should be continued because it is fair and because it will empty our jails of those who will return for their hearings and who pose no threat to our communities.

I also propose that we restore judicial review in deportation cases. The 1996 reforms ostensibly banned criminal aliens from seeking a judicial review of their cases. The courts have reached many different outcomes over this ban and the situation, frankly, is a mess. I believe that criminal aliens should have the right to have their convictions reviewed by a United States circuit court of appeals.

Similiarly, I believe that aliens should have the right to legal counsel when they are faced with removal. The law now provides that an alien is entitled to counsel if he can afford to retain one. In reality, this has created great expense and delay for the Federal government because cases are often continued for lengthy periods while aliens try to find pro bono counsel or counsel they can afford. My bill creates a pilot program in selected Immigration and Nationalization districts where free, expert counsel would be provided to aliens. A study of the impact on overall Department of Justice costs would be required to decide if this program should be extended nationwide.

My last amendments are concerned with who should be admitted to this country. The most objectionable element of our current admission system is the delay—estimated to be five years—for a vitally important family reunion category, part A of the second family-based preference (FS–2A). This category, for admission of spouses and minor children of lawful, permanent residents, is now limited to 114,000 per year. Nuclear families should live together. To obtain more spaces for the FS–2A preference, the diversity lottery visas should be eliminated, freeing 55,000 spaces annually.

Lastly, I believe that the EB–5 preference for investors should be repealed.

The rich should not be able to buy their way into this country. This category was added in 1990 to encourage investment. Instead, this provision has led to the creation of some highly questionable investment schemes that have cost the Immigration and Naturalization Service untold hours and resources in attempting to reign them in. Moreover, the evidence of new jobs being created is very thin and not worth the administrative costs.

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

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

S. 173

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

SECTION 1. AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT.

(a) CANCELLATION OF REMOVAL.—

(1) IN GENERAL.—Section 240A(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1229b(a)(3)) is amended to read as follows:

''(3) has not been convicted of any aggravated felony punishable by imprisonment for a period of not less than five years.''.

(2) TERMINATION OF CONTINUOUS PERIOD.—Section 240A(d)(1) of that Act (8 U.S.C. 1229b(d)(1)) is amended by striking ''or when'' and all that follows through ''earliest''.

(b) CUSTODY RULES.—

(1) IN GENERAL.—Section 236(c)(2) of the Immigration and Nationality Act (8 U.S.C. 1226(c)(2)) is amended to read as follows:

''(2) RELEASE.—The Attorney General may release an alien described in paragraph (1) only if the alien is an alien described in subparagraph (A)(ii) or (iii) and—

''(A) the alien was lawfully admitted to the United States and satisfies the Attorney General that the alien will not pose a danger to the safety of other persons or of property and is likely to appear for any scheduled proceeding; or

''(B) the alien was not lawfully admitted to the United States, cannot be removed because the designated country of removal will not accept the alien, and satisfies the Attorney General that the alien will not pose a danger to the safety of other persons or of property and is likely to appear for any scheduled proceeding.''.

(2) REPEAL.—Section 303(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 is repealed.

(c) JUDICIAL REVIEW.—Section 242(a)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1252(a)(2)(C)) is amended by striking ''no court shall have jurisdiction to review any'' and inserting ''a court of appeals for the judicial circuit in which a final order of removal was issued shall have jurisdiction to review the''.

(d) RIGHT TO COUNSEL.—Section 292 of the Immigration and Nationality Act (8 U.S.C. 1362) is amended—

(1) by striking ''In'' and inserting ''Except as provided in paragraph (2), in''; and

(2) by adding at the end the following:

''(2) In any removal proceedings before an immigration judge and in any appeal proceedings before the Attorney General from any such removal proceedings (in three designated districts), the person concerned shall have the privilege of being represented by court-appointed counsel who shall be paid by the United States and who are authorized to practice in such proceedings, as he shall choose.''.

(e) REPEALS.—The following provisions of the Immigration and Nationality Act are repealed:

(1) Section 203(b)(5) (8 U.S.C. 1153(b)(5)).

(2) Section 203(c) (8 U.S.C. 1153(c)).

(3) Section 201(a)(3) and 201(e) (8 U.S.C. 1151(a)(3), 1151(e)).

(4) Section 204(a)(1)(F) and (G) (8 U.S.C. 1154(a)(1)(F) and (G)).

(5) Section 216A (8 U.S.C. 1186b).

By Mr. MOYNIHAN (for himself, Mr. BENNETT, and Mr. DODD):

S. 174. A bill to provide funding for States to correct Y2K problems in computers that are used to administer State and local government programs; to the Committee on Finance.

Y2K STATE AND LOCAL GAP (GOVERNMENT ASSISTANCE PROGRAMS) ACT OF 1999

Mr. MOYNIHAN. Mr. President, I rise today to introduce the ''Y2K State and Local Government Assistance Programs (GAP) Act of 1999.'' I am pleased to have Senators ROBERT F. BENNETT (R–UT) and CHRISTOPHER J. DODD (D–CT), the Chairman and Vice Chairman, respectively, of the Special Committee on the Year 2000 Technology Problem, as original cosponsors of this legislation. This bill provides a matching grant for states to work on the millennium computer problem. While the Federal government and large corporations are expected to have their computers intact on January 1, 2000, state governments lag behind in fixing the problem. Failure of state computers could have a devastating effect on those individuals who rely on essential state-administered poverty programs, such as Medicaid, food stamps, and child welfare and support. These individuals cannot go a day, a week, or a month without these programs working properly. I am hopeful that the bill Senators BENNETT, DODD, and I are introducing today will help states fix their computers, particularly those computers used to administer Federal welfare programs.

It has been almost three years since I asked the Congressional Research Service (CRS) to study and produce a report on the implications of the Y2K problem. CRS issued the report to me with the following comments: ''The Year 2000 problem is indeed serious, and fixing it will be costly and time-consuming. The problem deserves the careful and coordinated attention of the Federal government, as well as the private sector, in order to avert major disruptions on January 1, 2000.'' I wrote the President on July 31, 1996 to relay the findings of CRS and make him aware of this grave problem. In the letter, I warned the president of the ''extreme negative economic consequences of the Y2K Time Bomb,'' and suggested that ''a presidential aide be appointed to take responsibility for assuring that all Federal agencies, including the military, be Y2K compliant by January 1, 1999 [leaving a year for 'testing'] and that all commercial and industrial firms doing business with the Federal government must also be compliant by that date.''

Since that time, the government has taken some of the necessary steps to combat the millennium bug. The President created the Year 2000 Conversion Council and appointed John Koskinen to head it. The Senate, under the leadership of Chairman BENNETT and Vice Chairman DODD, established the Special Committee on the Y2K problem. And Representative STEPHEN HORN (R–CA) continues to due an excellent job in keeping the government focused on the issue. Thanks in part to the work of these individuals, we have made tremendous progress on the millennium bug. Y2K experts have become optimistic enough to dismiss doomsday predictions of widespread power outages, telephone failures, and grounded jetliners in the U.S. Businesses and Federal agencies that were lagging in their repair work last year have redoubled their efforts in recent months; telephone and electric networks, which are crucial to the operation of almost all large computer systems, are in better-than-expected shape; and technicians have found remarkably few date-related problems with the electronic circuitry in a host of other ''day-to-day'' devices, from subway cars to elevators.

Mr. Koskinen predicts that the bug's impact will be similar to a powerful winter storm—minor inconveniences for many people and severe, but short-term, disruptions for some communities. I agree with Mr. Koskinen and other Y2K experts. I do not expect the four horsemen, armed with flood and catastrophe, to be riding in on January 1, 2000. But experts agree that state governments are not making sufficient progress in fixing the problem. It is for this reason that Senators BENNETT, DODD, and I are introducing this bill today.

The ''Y2K State and Local GAP Act of 1999'' provides funding for states to address the Y2K problem. The bill stipulates that certain Federal poverty programs—Medicaid, Temporary Assistance for Needy Families (TANF), Women, Infants, and Children (WIC), food stamps, child support enforcement, child care, and child welfare programs—be listed as priority programs. The people dependent on these programs will be the most adversely affected by the problem if state computers crash. To be eligible for Federal support money, states must submit a plan describing their Y2K development and implementation program. A state that is awarded a grant under this legislation is required to expend $1 for every $2 provided by the Federal government. The matching requirement will give states and local governments incentive to work on their computers. And the numbers indicate that states

need a great amount of incentive and help on this issue.

According to a National Association of State Information Resource Executives survey, some states have not yet completed work on any of their critical systems, and those systems responsible for administering poverty programs are a real concern. A November 1998 General Accounting Office (GAO) report found that most of the systems used to administer poverty programs are not ready for the new millennium—84 percent of Medicaid systems, 76 percent of food stamps, and 75 percent of TANF systems were not compliant. Since these programs are administered at the state and local level, it is these computers which ensure that benefit payments are on time and accurate. Given the lack of means of those assisted by the programs, the possible disruption of benefit payments should be a cause for concern—a billion dollars in benefits payments might not be delivered because of the millennial malady.

Historically the fin de siècle has caused quite a stir. Prophets, prelates, monks, mathematicians, and soothsayers warn Anno Domini 2000 will draw the world to its catastrophic conclusion. I am confident that the Y2K problem will not play a part in this. But we must continue to work on this problem with purpose and dedication. Disraeli wrote: ''Man is not the creature of circumstances. Circumstances are the creatures of men.'' We created the Y2K problem and we must fix it.

Mr. President, I ask unanimous consent that the Y2K State and Local Government Assistance Programs Act of 1999 be printed in the RECORD.

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

S. 174

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 ''Y2K State and Local GAP (Government Assistance Programs) Act of 1999''.

SEC. 2. DEFINITIONS.

In this Act:

(1) WELFARE PROGRAMS.—The welfare programs are as follows:

(A) TANF.—The State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(B) MEDICAID.—The program of medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(C) FOOD STAMPS.—The food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(D) WIC.—The program of assistance under the special supplemental nutrition program for women, infants and children (WIC) under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(E) CHILD SUPPORT ENFORCEMENT.—The child support and paternity establishment program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

(F) CHILD WELFARE.—A child welfare program or a program designed to promote safe and stable families established under subpart 1 or 2 of part B of title IV of the Social Security Act (42 U.S.C. 620 et seq.).

(G) CHILD CARE.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) (including funding provided under section 418 of the Social Security Act (42 U.S.C. 618)).

(2) Y2K.—The term ''Y2K compliant'' means, with respect to information technology, that the information technology accurately processes (including calculating, comparing, and sequencing) date and time data from, into, and between the 20th and 21st centuries and the years 1999 and 2000, and leap year calculations, to the extent that other information technology properly exchanges date and time data with it.

SEC. 3. GRANTS TO STATES TO MAKE STATE AND LOCAL GOVERNMENT PROGRAMS Y2K COMPLIANT.

(a) AUTHORITY TO AWARD GRANTS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of Commerce shall award grants in accordance with this section to States for purposes of making grants to assist the States and local governments in making programs administered by the States and local governments Y2K compliant. The Secretary of Commerce shall give priority to grant requests that relate to making Federal welfare programs Y2K compliant.

(2) LIMITATIONS.—

(A) NUMBER OF GRANTS.—No more than 75 grants may be awarded under this section.

(B) PER STATE LIMITATION.—Not more than 2 grants authorized under this section may be awarded per State.

(C) APPLICATION DEADLINE.—45 days after enactment.

(b) APPLICATION.—

(1) IN GENERAL.—A State, through the State Governor's Office, may submit an application for a grant authorized under this section at such time within the constraints of paragraph Sec. 3(a)(2)(C) and in such manner as the Secretary of Commerce may determine.

(2) INFORMATION REQUIRED.—An application for a grant authorized under this section shall contain the following:

(A) A description of a proposed plan for the development and implementation of a Y2K compliance program for the State's programs or for a local government program, including a proposed budget for the plan and a request for a specific funding amount.

(B) A description or identification of a proposed funding source for completion of the plan (if applicable) and maintenance of the system after the conclusion of the period for which the grant is to be awarded.

(c) CONDITIONS FOR APPROVAL OF APPLICATIONS.—

(1) MATCHING REQUIREMENT.—

(A) IN GENERAL.—A State awarded a grant under this section shall expend $1 for every $2 awarded under the grant to carry out the development and implementation of a Y2K compliance program for the State's programs under the proposed plan.

(B) WAIVER FOR HARDSHIP.—The Secretary of Commerce may waive or modify the matching requirement described in subparagraph (A) in the case of any State that the Secretary of Commerce determines would suffer undue hardship as a result of being subject to the requirement.

(C) NON-FEDERAL EXPENDITURES.—

(i) CASH OR IN KIND.—State expenditures required under subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment, or services.

(ii) NO CREDIT FOR PRE-AWARD EXPENDITURES.—Only State expenditures made after a grant has been awarded under this section may be counted for purposes of determining whether the State has satisfied the matching expenditure requirement under subparagraph (A).

(2) CONSIDERATIONS.—In evaluating an application for a grant under this section the Secretary of Commerce shall consider the extent to which the proposed system is feasible and likely to achieve the purposes described in subsection (a)(1).

(d) LENGTH OF AWARDS.—No grant may be awarded under this section for a period of more than 2 years.

(e) AVAILABILITY OF FUNDS.—Funds provided to a State under a grant awarded under this section shall remain available until expended without fiscal year limitation.

(f) REPORTS.—

(1) ANNUAL REPORT FROM GRANTEES.—Each State that is awarded a grant under this section shall submit an annual report to the Secretary of Commerce that contains a description of the ongoing results of the independent evaluation of the plan for, and implementation of, the compliance program funded under the grant.

(2) FINAL REPORT.—Not later than 90 days after the termination of all grants awarded under this section, the Secretary of Commerce shall submit to Congress a final report evaluating the programs funded under such grants.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $40,000,000 for fiscal years 1999 to 2001 funded from the Y2K Emergency Supplemental Funds appropriated in the FY99 Omnibus Act, Public Law 105–277.

By Mr. MOYNIHAN:

S. 175. A bill to repeal the habeas corpus requirement that a Federal court defer to State court judgments and uphold a conviction regardless of whether the Federal court believes that the State court erroneously interpreted constitutional law, except in cases where the Federal court believes that the State court acted in an unreasonable manner; to the Committee on the Judiciary.

HABEAS CORPUS LEGISLATION

Mr. MOYNIHAN. Mr. President, I introduce this bill to repeal an unprecedented provision—unprecedented until the 104th Congress—to tamper with the constitutional protection of habeas corpus.

The provision reads:

(d) An application for writ of habeas corpus on behalf of a person in custody pursuant to the judgment of State court shall not be granted with respect to any claim that was adjudicated on the merits in State court proceedings unless the adjudication of the claim—

(1) resulted in a decision that was contrary to, or involved an unreasonable application of, clearly established Federal law, as determined by the Supreme Court of the United States; or

(2) resulted in a decision that was based on an unreasonable determination of the facts in light of the evidence presented in the State court proceeding.

In 1996 we enacted a statute which holds that constitutional protections do not exist unless they have been unreasonably violated, an idea that would have confounded the framers. Thus, we

introduced a virus that will surely spread throughout our system of laws.

Article I, section 9, clause 2 of the Constitution stipulates, ''The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.''

We are mightily and properly concerned about the public safety, which is why we enacted the counter-terrorism bill. But we have not been invaded, Mr. President, and the only rebellion at hand appears to be against the Constitution itself. We are dealing here, sir, with a fundamental provision of law, one of those essential civil liberties which precede and are the basis of political liberties.

The writ of habeas corpus is often referred to as the ''Great Writ of Liberty.'' William Blackstone (1723–80) called it ''the most celebrated writ in English law, and the great and efficacious writ in all manner of illegal imprisonment.''

I repeat what I have said previously here on the Senate floor: If I had to choose between living in a country with habeas corpus but without free elections, or a country with free elections but without habeas corpus, I would choose habeas corpus every time. To say again, this is one of the fundamental civil liberties on which every democratic society of the world has built political liberties that have come subsequently.

I make the point that the abuse of habeas corpus—appeals of capital sentences—is hugely overstated. A 1995 study by the Department of Justice's Bureau of Justice Statistics determined that habeas corpus appeals by death row inmates constitute 1 percent of all Federal habeas filings. Total habeas filings make up 4 percent of the caseload of Federal district courts. And most Federal habeas petitions are disposed of in less than 1 year. The serious delays occur in State courts, which take an average of 5 years to dispose of habeas petitions. If there is delay, the delay is with the State courts.

It is troubling that Congress has undertaken to tamper with the Great Writ in a bill designed to respond to the tragic circumstances of the Oklahoma City bombing 1995. Habeas corpus has little to do with terrorism. The Oklahoma City bombing was a Federal crime and has been tried in Federal courts.

Nothing in our present circumstance requires the suspension of habeas corpus, which was the practical effect of the provision in that bill. To require a Federal court to defer to a State court's judgment unless the State court's decision is ''unreasonably wrong'' effectively precludes Federal review. I find this disorienting.

Anthony Lewis has written of the habeas provision in that bill: ''It is a new and remarkable concept in law: that mere wrongness in a constitutional decision is not to be noticed.'' We have agreed to this; to what will we be agreeing next? I restate Mr. Lewis' observation, a person of great experience, long a student of the courts, ''It is a new and remarkable concept in law: that mere wrongness in a constitutional decision is not to be noticed.'' Backward reels the mind.

On December 8, 1995, four former U.S. Attorneys General, two Republicans and two Democrats, all persons with whom I have the honor to be acquainted, Benjamin R. Civiletti, Jr., Edward H. Levi, Nicholas Katzenbach, and Elliot Richardson—I served in administrations with Mr. Levi, Mr. Katzenbach, Mr. Richardson; I have the deepest regard for them—wrote President Clinton. I ask unanimous consent that the full text be printed in the RECORD.

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

DECEMBER 8, 1995.

Hon. WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The habeas corpus provisions in the Senate terrorism bill, which the House will soon take up, are unconstitutional. Though intended in large part to expedite the death penalty review process, the litigation and constitutional rulings will in fact delay and frustrate the imposition of the death penalty. We strongly urge you to communicate to the Congress your resolve and your duty under the constitution, to prevent the enactment of such unconstitutional legislation and the consequent disruption of so critical of part of our criminal punishment system.

The constitutional infirmities reside in three provisions of the legislation: one requiring federal courts to defer to erroneous state court rulings on federal constitutional matters, one imposing time limits which could operate to completely bar any federal habeas corpus review at all, and one to prevent the federal courts from hearing the evidence necessary to decide a federal constitutional question. They violate the Habeas Corpus Suspension Clause, the judicial powers of Article III, and due process. None of these provisions appeared in the bill that you and Senator Biden worked out in the last Congress together with representatives of prosecutors' organizations.

The deference requirement would bar any federal court from granting habeas corpus relief where a state court has misapplied the United States Constitution, unless the constitutional error rose to a level of ''unreasonableness.'' The time-limits provisions set a single period of the filing of both state and federal post-conviction petitions (six months in a capital case and one year in other cases), commencing with the date a state conviction becomes final on direct review. Under these provisions, the entire period could be consumed in the state process, through no fault of the prisoner or counsel, thus creating an absolute bar to the filing of federal habeas corpus petition. Indeed, the period could be consumed before counsel had even been appointed in the state process, so that the inmate would have no notice of the time limit or the fatal consequences of consuming all of it before filing a state petition.

Both of these provisions, by flatly barring federal habeas corpus review under certain circumstances, violate the Constitution's Suspension Clause, which provides: ''The privilege of the Writ of Habeas Corpus shall not be suspended, unless when in the case of rebellion or invasion the public safety may require it'' (Art. I, Sec. 9, cl. 1). Any doubt as to whether this guarantee applies to persons held in state as well as federal custody was removed by the passage of the Fourteenth Amendment and by the amendment's framers' frequent mention of habeas corpus as one of the privileges and immunities so protected.

The preclusion of access to habeas corpus also violates Due Process. A measure is subject to proscription under the due process clause if it ''offends some principle of justice so rooted in the traditions and conscience of our people as to be ranked as fundamental,'' as viewed by ''historical practice.'' Medina v. California, 112 S. Ct. 2572, 2577 (1992). Independent federal court review of the constitutionality of state criminal judgments has existed since the founding of the Nation, first by writ of error, and since 1867 by writ of habeas corpus. Nothing else is more deeply rooted in America's legal traditions and conscience. There is no case in which ''a state court's incorrect legal determination has ever been allowed to stand because it was reasonable,'' Justice O'Connor found in Wright v. West, 112 S. Ct. 2482, 2497; ''We have always held that federal courts, even on habeas, have an independent obligation to say what the law is.'' Indeed, Alexander Hamilton argued, in The Federalist No. 84, that the existence of just two protections—habeas corpus and the prohibition against ex post facto laws—obviated the need to add a Bill of Rights to the Constitution.

The deference requirement may also violate the powers granted to the judiciary under Article III. By stripping the federal courts of authority to exercise independent judgment and forcing them to defer to previous judgments made by state courts, the provision runs afoul of the oldest constitutional mission of the federal courts: ''the duty . . . to say what the law is.'' Marbury v. Madison, 5 U.S. (1 Cranch) 137, 177 (1803). Although Congress is free to alter the federal courts' jurisdiction, it cannot order them how to interpret the Constitution, or dictate any outcome in the merits. United States v. Klein, 80 U.S. (13 Wall.) 128 (1871). In 1996, the Supreme Court reiterated that Congress has no power to assign ''rubber stamp work'' to an Article III court, ''Congress may be free to establish a . . . scheme that operates without court participation,'' the Court said, ''but that is a matter quite different from instructing a court automatically to enter a judgment pursuant to a decision the court has not authority to evaluate.'' Gutierrez de Martinez v. Lamagno, 115 S. Ct 2227, 2234.

Finally, in prohibiting evidentiary hearings where the constitutional issue raised does not go to guilt or innocence, the legislation again violates Due Process. A violation of constitutional rights cannot be judged in a vacuum. The determination of the facts assumes ''and importance fully as great as the validity of the substantive rule of law to be applied.'' Wingo v. Wedding, 418 U.S. 461, 474 (1974).

Prior to 1996, the last time habeas corpus legislation was debated at length in constitutional terms was in 1968. A bill substantially eliminating federal habeas corpus review for state prisoners was defeated because, as Republican Senator Hugh Scott put it at the end of debate, ''if Congress tampers

with the great writ, its action would have about as much chance of being held constitutional as the celebrated celluloid dog chasing the asbestos cat through hell.''

In more recent years, the habeas reform debate has been viewed as a mere adjunct of the debate over the death penalty. But when the Senate took up the terrorism bill this year, Senator Moynihan sought to reconnect with the large framework of constitutional liberties: ''If I had to live in a country which had habeas corpus but not free elections,'' he said, ''I would take habeas corpus every time,'' Senator Chafee noted that his uncle, a Harvard law scholar, has called habeas corpus ''the most important human rights provision in the Constitution,'' With the debate back on constitutional grounds, Senator Biden's amendment to delete the deference requirement nearly passed, with 46 votes.

We respectfully ask that you insist, first and foremost, on the preservation of independent federal review, i.e., on the rejection of any requirement that federal courts defer to state court judgments on federal constitutional questions. We also urge that separate time limits be set for filing federal and state habeas corpus petitions—a modest change which need not interfere with the setting of strict time limits—and that they begin to run only upon the appointment of competent counsel. And we urge that evidentiary hearings be permitted wherever the factual record is deficient on an important constitutional issue. Congress can either fix the constitutional flaws now, or wait through several years of litigation and confusion before being sent back to the drawing board. Ultimately, it is the public's interest in the prompt and fair disposition of criminal cases which will suffer. The passage of an unconstitutional bill helps no one.

We respectfully urge you, as both President and a former professor of constitutional law, to call upon Congress to remedy these flaws before sending the terrorism bill to your desk. We request an opportunity to meet with you personally to discuss this matter so vital to the future of the Republic and the liberties we all hold dear.

Sincerely,

BENJAMIN R. CIVILETTI, Jr.,
Baltimore, MD.
EDWARD H. LEVI,
Chicago, IL.
NICHOLAS DEB. KATZENBACK,
Princeton, NJ.
ELLIOT L. RICHARDSON,
Washington, DC.

Mr. MOYNIHAN. Let me read excerpts from the letter:

The habeas corpus provisions in the Senate bill * * * are unconstitutional. Though intended in large part to expedite the death penalty review process, the litigation and constitutional rulings will in fact delay and frustrate the imposition of the death penalty * * *

The constitutional infirmities * * * violate the Habeas Corpus Suspension Clause, the judicial powers of Article III, and due process * * *.

* * * A measure is subject to proscription under the due process clause if it ''offends some principle of justice so rooted in the traditions and conscience of our people as to be ranked as fundamental,'' as viewed by ''historical practice.''

That language is Medina versus California, a 1992 decision. To continue,

Independent federal court review of the constitutionality of state criminal judgments has existed since the founding of the Nation, first by writ of error, and since 1867 by writ of habeas corpus.

Nothing else is more deeply rooted in America's legal traditions and conscience. There is no clause in which ''a state court's incorrect legal determination has ever been allowed to stand because it was reasonable.''

That is Justice O'Connor, in Wright versus West. She goes on, as the attorneys general quote. ''We have always held that federal courts, even on habeas, have an independent obligation to say what the law is.''

If I may interpolate, she is repeating the famous injunction of Justice Marshall in Marbury versus Madison. The attorneys general go on to say,

Indeed Alexander Hamilton argued, in The Federalist No. 84, that the existence of just two protections—habeas corpus and the prohibition against ex post facto laws—obviated the need to add a Bill of Rights to the Constitution.

The letter from the Attorneys General continues, but that is the gist of it. I might point out that there was, originally, an objection to ratification of the Constitution, with those objecting arguing that there had to be a Bill of Rights added. Madison wisely added one during the first session of the first Congress. But he and Hamilton and Jay, as authors of The ''Federalist Papers,'' argued that with habeas corpus and the prohibition against ex post facto laws in the Constitution, there would be no need even for a Bill of Rights. We are glad that, in the end, we do have one. But their case was surely strong, and it was so felt by the framers.

To cite Justice O'Connor again: ''A state court's incorrect legal determination has never been allowed to stand because it was reasonable.''

Justice O'Connor went on: ''We have always held that Federal courts, even on habeas, have an independent obligation to say what the law is.''

Mr. President, we can fix this now. Or, as the Attorneys General state, we can ''wait through several years of litigation and confusion before being sent back to the drawing board.'' I fear that we will not fix it now.

We Americans think of ourselves as a new nation. We are not. Of the countries that existed in 1914, there are only eight which have not had their form of government changed by violence since then. Only the United Kingdom goes back to 1787 when the delegates who drafted our Constitution established this Nation, which continues to exist. In those other nations, sir, a compelling struggle took place, from the middle of the 18th century until the middle of the 19th century, and beyond into the 20th, and even to the end of the 20th in some countries, to establish those basic civil liberties which are the foundation of political liberties and, or those, none is so precious as habeas corpus, the ''Great Writ.''

Here we are trivializing this treasure, putting in jeopardy a tradition of protection of individual rights by Federal courts that goes back to our earliest foundation. And the virus will spread. Why are we in such a rush to amend our Constitution? Why do we tamper with provisions as profound to our traditions and liberty as habeas corpus? The Federal courts do not complain. It may be that because we have enacted this, there will be some prisoners who are executed sooner than they otherwise would have been. You may take satisfaction in that or not, as you choose, but we have begun to weaken a tenet of justice at the very base of our liberties. The virus will spread.

This is new. It is profoundly disturbing. It is terribly dangerous. If I may have the presumption to join in the judgment of four Attorneys General, Mr. Civiletti, Mr. Levi, Mr. Katzenbach, and Mr. Richardson—and I repeat that I have served in administrations with three of them—this matter is unconstitutional and should be repealed from law.

Seventeen years ago, June 6, 1982, to be precise, I gave the commencement address at St. John University Law School in Brooklyn. I spoke of the proliferation of court-curbing bills at that time. I remarked:

* * * some people—indeed, a great many people—have decided that they do not agree with the Supreme Court and that they are not satisfied to Debate, Legislate, Litigate.

They have embarked upon an altogether new and I believe quite dangerous course of action. A new triumvirate hierarchy has emerged. Convene (meaning the calling of a constitutional convention), Overrule (the passage of legislation designed to overrule a particular Court ruling, when the Court's ruling was based on an interpretation of the Constitution), and Restrict (to restrict the jurisdiction of certain courts to decide particular kinds of cases).

Perhaps the most pernicious of these is the attempt to restrict courts' jurisdictions, for it is * * * profoundly at odds with our Nation's customs and political philosophy.

It is a commonplace that our democracy is characterized by majority rule and minority rights. Our Constitution vests majority rule in the Congress and the President while the courts protect the rights of the minority.

While the legislature makes the laws, and the executive enforces them, it is the courts that tell us what the laws say and whether they conform to the Constitution.

This notion of judicial review has been part of our heritage for nearly two hundred years. There is not a more famous case in American jurisprudence than Marbury v. Madison and few more famous dicta than Chief Justice Marshall's that ''It is emphatically the province and the duty of the judicial department to say what the law is.''

But in order for the court to interpret the law, it must decide cases. If it cannot hear certain cases, then it cannot protect certain rights.

We need to deal resolutely with terrorism. And we have. But under the guise of combating terrorism, we have diminished the fundamental civil liberties that Americans have enjoyed for two centuries; therefore the terrorists will have won.

My bill will repeal this dreadful, unconstitutional provision now in public law. I ask unanimous consent that the article entitled ''First in Damage to Constitutional Liberties,'' by Nat Hentoff from the Washington Post of November 16, 1996; and the article entitled ''Clinton's Sorriest Record'' from the New York Times of October 14, 1996; be printed in the RECORD.

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

[From the Washington Post, November 16, 1996]

FIRST IN DAMAGE TO CONSTITUTIONAL LIBERTIES

(By Nat Hentoff)

There have been American presidents to whom the Constitution has been a nuisance to be overruled by any means necessary. In 1798, only seven years after the Bill of Rights was ratified, John Adams triumphantly led Congress in the passage of the Alien and Sedition Acts, which imprisoned a number of journalists and others for bringing the president or Congress into ''contempt or disrepute.'' So much for the First Amendment.

During the Civil War, Abraham Lincoln actually suspended the writ of habeas corpus. Alleged constitutional guarantees of peaceful dissent were swept away during the First World War—with the approval of Woodrow Wilson. For example, there were more than 1,900 prosecutions for anti-war books, newspaper articles, pamphlets and speeches. And Richard Nixon seemed to regard the Bill of Rights as primarily a devilish source of aid to his enemy.

No American president, however, has done so much damage to constitutional liberties as Bill Clinton—often with the consent of Republicans in Congress. But it has been Clinton who had the power and the will to seriously weaken our binding document in ways that were almost entirely ignored by the electorate and the press during the campaign.

Unlike Lincoln, for example, Clinton did a lot more than temporarily suspend habeas corpus. One of his bills that has been enacted into law guts the rights that Thomas Jefferson insisted be included in the Constitution. A state prisoner on death row now has only a year to petition a federal court to review the constitutionality of his trial or sentence. In many previous cases of prisoners eventually freed after years of waiting to be executed, proof of their innocence has been discovered long after the present one year limit.

Moreover, the Clinton administration is—as the ACLU's Laura Murphy recently told the National Law Journal—''the most wiretap-friendly administration in history.''

And Clinton ordered the Justice Department to appeal a unanimous 3rd Circuit Court of Appeals decision declaring unconstitutional the Communications Decency Act censoring the Internet, which he signed into law.

There is a chilling insouciance in Clinton's elbowing the Constitution out of the way. He blithely, for instance, has stripped the courts of their power to hear certain kinds of cases. As Anthony Lewis points out in the New York Times, Clinton has denied many people their day in court.

For one example, says Lewis. ''The new immigration law * * * takes away the rights of thousands of aliens who may be entitled to legalize their situation under a 1986 statute giving amnesty to illegal aliens.'' Cases involving as many as 300,000 people who may still qualify for amnesty have been waiting to be decided. All have now been thrown out of court by the new immigration law.

There have been other Clinton revisions of the Constitution, but in sum—as David Boaz of the Cato Institute has accurately put it—Clinton has shown ''a breathtaking view of the power of the Federal government, a view directly opposite the meaning of 'civil libertarian.' ''

During the campaign there was no mention at all of this breathtaking exercise of federal power over constitutional liberties. None by former senator Bob Dole who has largely been in agreement with this big government approach to constitutional ''guarantees.'' Nor did the press ask the candidates about the Constitution.

Laura Murphy concludes that ''both Clinton and Dole are indicative of how far the American people have slipped away from the notions embodied in the Bill of Rights.'' She omitted the role of the press, which seems focused primarily on that part of the First Amendment that protects the press.

Particularly revealing were the endorsements of Clinton by the New York Times, The Washington Post and the New Republic, among others. In none of them was the president's civil liberties record probed. (The Post did mention the FBI files at the White House.) Other ethical problems were cited, but nothing was mentioned about habeas corpus, court-stripping, lowering the content of the Internet to material suitable for children and the Clinton administration's decided lack of concern for privacy protections of the individual against increasingly advanced government technology.

A revealing footnote to the electorate's ignorance of this subverting of the Constitution is a statement by N. Don Wycliff, editorial page editor of the Chicago Tribune. He tells Newsweek that ''people are not engaged in the [political] process because there are no compelling issues driving them to participate. It would be different if we didn't have peace and prosperity.''

What more could we possibly want?

[From the New York Times, Oct. 14, 1996]

ABROAD AT HOME; CLINTON'S SORRIEST RECORD

(By Anthony Lewis)

Bill Clinton has not been called to account in this campaign for the worst aspect of his Presidency. That is his appalling record on constitutional rights.

The Clinton years have seen, among other things, a series of measures stripping the courts of their power to protect individuals from official abuse—the power that has been the key to American freedom. There has been nothing like it since the Radical Republicans, after the Civil War, acted to keep the courts from holding the occupation of the South to constitutional standards.

The Republican Congress of the last two years initiated some of the attacks on the courts. But President Clinton did not resist them as other Presidents have. And he proposed some of the measures trampling on constitutional protections.

Much of the worst has happened this year. President Clinton sponsored a counterterrorism bill that became law with a number of repressive features in it. One had nothing to do with terrorism: a provision gutting the power of Federal courts to examine state criminal convictions, on writs of habeas corpus, to make sure there was no violation of constitutional rights.

The Senate might well have moderated the habeas corpus provision if the President had put up a fight. But he broke a promise and gave way.

The counterterrorism law also allows the Government to deport a legally admitted alien, on the ground that he is suspected of a connection to terrorism, without letting him see or challenge the evidence. And it goes back to the McCarthy period by letting the Government designate organizations as ''terrorist''—a designation that could have included Nelson Mandela's African National Congress before apartheid gave way to democracy in South Africa.

The immigration bill just passed by Congress has many sections prohibiting review by the courts of decisions by the Immigration and Naturalization Service or the Attorney General. Some of those provisions have drastic retroactive consequences.

For example, Congress in 1986 passed an amnesty bill that allowed many undocumented aliens to legalize their presence in this country. They had to file by a certain date, but a large number said they failed to do so because improper I.N.S. regulations discouraged them.

The Supreme Court held that those who could show they were entitled to amnesty but were put off by the I.N.S. rules could file late. Lawsuits involving thousands of people are pending. But the new immigration law throws all those cases—and individuals—out of court.

Another case, in the courts for years, stems from an attempt to deport a group of Palestinians. Their lawyer sued to block the deportation action; a Federal district judge, Stephen V. Wilson, a Reagan appointee, found that it was an unlawful selective proceeding against people for exercising their constitutional right of free speech. The new immigration law says the courts may not hear such cases.

The immigration law protects the I.N.S. from judicial scrutiny in a broader way. Over the years the courts have barred the service from deliberately discriminatory policies, for example the practice of disallowing virtually all asylum claims by people fleeing persecution in certain countries. The law bars all lawsuits of that kind.

Those are just a few examples of recent incursions on due process of law and other constitutional guarantees. A compelling piece by John Heilemann in this month's issue of Wired, the magazine on the social consequences of the computer revolution, concludes that Mr. Clinton's record on individual rights is ''breathtaking in its awfulness.'' He may be, Mr. Heilemann says, ''the worst civil liberties President since Richard Nixon.'' And even President Nixon did not leave a legacy of court-stripping statutes.

It is by no means clear that Bob Dole would do better. He supported some of the worst legislation in the Senate, as the Gingrich Republicans did in the House

Why? The Soviet threat, which used to be the excuse for shoving the Constitution aside, is gone. Even in the worst days of the Red Scare we did not strip the courts of their protective power. Why are we legislating in panic now? Why, especially, is a lawyer President indifferent to constitutional rights and their protection by the courts?

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

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

S. 175

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

SECTION 1. REPEAL OF THE REQUIREMENT THAT A FEDERAL COURT DEFER TO A STATE COURT UNLESS THE STATE COURT ACTED IN AN UNREASONABLE MANNER IN HABEAS CORPUS CASES.

(a) REPEAL.—Subsection (d) of section 2254 of title 28, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—Section 2264(b) of title 28, United States Code, is amended by striking ''(d),''.

By Mr. MOYNIHAN:

S. 176. A bill to direct the Secretary of the Interior to conduct a study of alternatives for commemorating and interpreting the history of the Harlem Reniassance, and for other purposes; to the Committee on Energy and Natural Resources.

HARLEM RENAISSANCE CULTURAL ZONE ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to establish a cultural zone commemorating the Harlem Renaissance, one of this country's greatest cultural, literary, and musical movements. Pioneered by W.E.B. Dubois, Alain Locke, and James Weldon Johnson, the Harlem Renaissance was at the forefront of this country's intellectual, literary, and artistic development in the 1920s. Langston Hughes, Zora Neale Hurston, Claude McKay, Countee Cullen, Jean Toomer, and Wallace Thurman were among this movement's most gifted writers. The Harlem Renaissance also included the music of Duke Ellington, the theatrical productions of Eubie Blake and Noble Sissle, and the rich nightlife of the Cotton Club, the Savoy, and Connie's Inn.

This bill empowers the Secretary of the Interior, acting through the National Park Service, to conduct a study to determine how best to memorialize this great movement and to preserve and maintain its rich history. Working and cooperating with the appropriate state and local authorities, I am confident that we can properly recognize and preserve one of this country's foremost cultural, literary, and historical periods.

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

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

S. 176

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 ''Harlem Renaissance Cultural Zone Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Harlem Renaissance was the dominant intellectual, literary, and artistic expression of the New Negro Movement of the 1920's;

(2) W.E.B. DuBois, James Weldon Johnson, and Alain Locke planted the seeds of the New Negro Movement, while Langston Hughes, Zora Neal Hurston, Claude McKay, Countee Cullen, Jean Toomer, and Wallace Thurman were among the Movement's most gifted writers; and

(3) the Harlem Renaissance also included the music of Duke Ellington, the theatrical productions of Eubie Blake, and the nightlife of the Cotton Club and the Alhamba theaters.

SEC. 3. STUDY OF ALTERNATIVES FOR CULTURAL ZONE TO COMMEMORATE AND INTERPRET HISTORY OF THE HARLEM RENAISSANCE.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Director of the National Park Service, shall conduct a study of alternatives for commemorating and interpreting the history of the Harlem Renaissance.

(b) MATTERS TO BE CONSIDERED.—The study under subsection (a) shall include—

(1) consideration of the establishment of a new unit of the National Park System;

(2) consideration of the establishment of various appropriate designations for sites relating to the history of the Harlem Renaissance; and

(3) recommendations for cooperative arrangements with State and local governments, historical organizations, and other entities.

(c) STUDY PROCESS.—The Secretary shall—

(1) conduct the study with public involvement and in consultation with State and local officials, scholarly and other interested organizations, and individuals;

(2) complete the study as expeditiously as practicable after the date on which funds are made available; and

(3) on completion of the study, submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the findings and recommendations of the study.

By Mr. INOUYE:

S. 177. A bill for the relief of Donald C. Pence; to the Committee on Veterans' Affairs.

PRIVATE RELIEF LEGISLATION

Mr. INOUYE. Mr. President, today I am introducing a private relief bill on behalf of Donald C. Pence of Sanford, North Carolina, for compensation for the failure of the Department of Veterans' Affairs to pay dependency and indemnity compensation to Kathryn E. Box, the now deceased mother of Donald C. Pence. It is rare that a federal agency admits a mistake. In this case, the Department of Veterans' Affairs has admitted that a mistake was made and explored ways to permit payment under the law, including equitable relief, but has found no provision to release the remaining benefits that were unpaid to Mrs. Box at the time of her death. My bill would correct this injustice and I urge my colleagues to support this measure.

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

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

S. 177

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

SECTION 1. RELIEF OF DONALD C. PENCE.

(a) RELIEF.—The Secretary of the Treasury shall pay, out of any moneys in the Treasury not otherwise appropriated, to Donald C. Pence, of Sanford, North Carolina, the sum of $31,128 in compensation for the failure of the Department of Veterans' Affairs to pay dependency and indemnity compensation to Kathryn E. Box, the now-deceased mother of Donald C. Pence, for the period beginning on July 1, 1990, and ending on March 31, 1993.

(b) LIMITATION ON FEES.—Not more than a total of 10 percent of the payment authorized by subsection (a) shall be paid to or received by agents or attorneys for services rendered in connection with obtaining such payment, any contract to the contrary notwithstanding. Any person who violates this subsection shall be fined not more than $1,000.

By Mr. INOUYE:

S. 178. A bill to amend the Public Health Service Act to provide for the establishment of a National Center for Social Work Research; to the Committee on Health, Education, Labor, and Pensions.

NATIONAL CENTER FOR SOCIAL WORK RESEARCH ACT

Mr. INOUYE. Mr. President, I rise today to introduce legislation to amend the Public Health Service Act for the establishment of a National Center for Social Work Research.

Social workers provide a multitude of health care delivery services throughout America to our children, families, the elderly, and persons suffering from various forms of abuse and neglect.

The purpose of this center is to support and disseminate information with respect to basic and clinical social work research, training, and other programs in patient care, with emphasis on service to underserved and rural populations.

Social work research has grown in size and scope since the 1980's. In 1998, the National Institutes of Mental Health led the way with $17 million in funding for 61 social work research grants. Dr. Pat Ewalt, Dean of the Department of Social Work at the University of Hawaii, is one of the foremost leaders in the field of social work research and has worked diligently to gain recognition of the many important contributions of social work to mental and behavioral health care delivery.

While the Federal Government provides funding for various social work research activities through the National Institutes of Health and other Federal agencies, there presently is no coordination or direction of these critical activities and no overall assessment of needs and opportunities for empirical knowledge development. The establishment of a Center for Social Work Research would result in improved behavioral and mental health

care outcomes for our nation's children, families, and elderly, and others.

In order to meet the increasing challenges of bringing cost-effective, research-based, quality health care to all Americans, we must recognize the important contributions of social work researchers to health care delivery and the central role that the Center for Social Work can provide in facilitating this process.

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

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

S. 178

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 ''National Center for Social Work Research Act''.

SEC. 2 ESTABLISHMENT OF NATIONAL CENTER FOR SOCIAL WORK RESEARCH.

(a) IN GENERAL.—Section 401(b)(2) of the Public Health Service Act (42 U.S.C. 281(b)(2)) is amended by adding at the end the following:

''(F) The National Center for Social Work Research.''.

(b) ESTABLISHMENT.—Part E of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) is amended by adding at the end the following:

''Subpart 5—National Center for Social Work Research

''SEC. 485G. PURPOSE OF CENTER.

''The general purpose of the National Center for Social Work Research (referred to in this subpart as the 'Center') is the conduct and support of, and dissemination of information with respect to basic, clinical, and services social work research, training, and other programs in patient care, including child and family care.

''SEC. 485H. SPECIFIC AUTHORITIES.

''(a) IN GENERAL.—To carry out the purpose described in section 485G, the Director of the Center may provide research training and instruction and establish, in the Center and in other nonprofit institutions, research traineeships and fellowships in the study and investigation of the prevention of disease, health promotion, and the social work care of persons with and families of individuals with acute and chronic illnesses, including child abuse and neglect and child and family care.

''(b) STIPENDS AND ALLOWANCES.—The Director of the Center may provide individuals receiving training and instruction or traineeships or fellowships under subsection (a) with such stipends and allowances (including amounts for travel and subsistence and dependency allowances) as the Director determines necessary.

''(c) GRANTS.—The Director of the Center may make grants to nonprofit institutions to provide training and instruction and traineeships and fellowships under subsection (a).

''SEC. 485I. ADVISORY COUNCIL.

''(a) DUTIES.—

''(1) IN GENERAL.—The Secretary shall establish an advisory council for the Center that shall advise, assist, consult with, and make recommendations to the Secretary and the Director of the Center on matters related to the activities carried out by and through the Center and the policies with respect to such activities.

''(2) GIFTS.—The advisory council for the Center may recommend to the Secretary the acceptance, in accordance with section 231, of conditional gifts for study, investigations, and research and for the acquisition of grounds or construction, equipment, or maintenance of facilities for the Center.

''(3) OTHER DUTIES AND FUNCTIONS.—The advisory council for the Center—

''(A)(i) may make recommendations to the Director of the Center with respect to research to be conducted by the Center;

''(ii) may review applications for grants and cooperative agreements for research or training and recommend for approval applications for projects that demonstrate the probability of making valuable contributions to human knowledge; and

''(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Center;

''(B) may collect, by correspondence or by personal investigation, information relating to studies that are being carried out in the United States or any other country as to the diseases, disorders, or other aspects of human health with respect to which the Center is concerned and, with the approval of the Director of the Center, make such information available through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

''(C) may appoint subcommittees and convene workshops and conferences.

''(b) MEMBERSHIP.—

''(1) IN GENERAL.—The advisory council shall be composed of the ex officio members described in paragraph (2) and not more than 18 individuals to be appointed by the Secretary under paragraph (3).

''(2) EX OFFICIO MEMBERS.—The ex officio members of the advisory council shall include—

''(A) the Secretary, the Director of NIH, the Director of the Center, the Chief Social Work Officer of the Veterans' Administration, the Assistant Secretary of Defense for Health Affairs, the Associate Director of Prevention Research at the National Institute of Mental Health, and the Director of the Division of Epidemiology and Services Research (or the designees of such officers); and

''(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively carry out its functions.

''(3) APPOINTED MEMBERS.—The Secretary shall appoint not to exceed 18 individuals to the advisory council, of which—

''(A) not more than two-thirds of such individual shall be appointed from among the leading representatives of the health and scientific disciplines (including public health and the behavioral or social sciences) relevant to the activities of the Center, and at least 7 such individuals shall be professional social workers who are recognized experts in the area of clinical practice, education, or research; and

''(B) not more than one-third of such individuals shall be appointed from the general public and shall include leaders in fields of public policy, law, health policy, economics, and management.

The Secretary shall make appointments to the advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year.

''(4) COMPENSATION.—Members of the advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The remaining members shall receive, for each day (including travel time) they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for an individual at grade GS–18 of the General Schedule.

''(c) TERMS.—

''(1) IN GENERAL.—The term of office of an individual appointed to the advisory council under subsection (b)(3) shall be 4 years, except that any individual appointed to fill a vacancy on the advisory council shall serve for the remainder of the unexpired term. A member may serve after the expiration of the member's term until a successor has been appointed.

''(2) REAPPOINTMENTS.—A member of the advisory council who has been appointed under subsection (b)(3) for a term of 4 years may not be reappointed to the advisory council prior to the expiration of the 2-year period beginning on the date on which the prior term expired.

''(3) VACANCY.—If a vacancy occurs on the advisory council among the members under subsection (b)(3), the Secretary shall make an appointment to fill that vacancy not later than 90 days after the date on which the vacancy occurs.

''(d) CHAIRPERSON.—The chairperson of the advisory council shall be selected by the Secretary from among the members appointed under subsection (b)(3), except that the Secretary may select the Director of the Center to be the chairperson of the advisory council. The term of office of the chairperson shall be 2 years.

''(e) MEETINGS.—The advisory council shall meet at the call of the chairperson or upon the request of the Director of the Center, but not less than 3 times each fiscal year. The location of the meetings of the advisory council shall be subject to the approval of the Director of the Center.

''(f) ADMINISTRATIVE PROVISIONS.—The Director of the Center shall designate a member of the staff of the Center to serve as the executive secretary of the advisory council. The Director of the Center shall make available to the advisory council such staff, information, and other assistance as the council may require to carry out its functions. The Director of the Center shall provide orientation and training for new members of the advisory council to provide such members with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

''(g) COMMENTS AND RECOMMENDATIONS.—The advisory council may prepare, for inclusion in the biennial report under section 485J—

''(1) comments with respect to the activities of the advisory council in the fiscal years for which the report is prepared;

''(2) comments on the progress of the Center in meeting its objectives; and

''(3) recommendations with respect to the future direction and program and policy emphasis of the center.

The advisory council may prepare such additional reports as it may determine appropriate.

''SEC. 485J. BIENNIAL REPORT.

''The Director of the Center, after consultation with the advisory council for the Center, shall prepare for inclusion in the biennial report under section 403, a biennial report that shall consist of a description of the

activities of the Center and program policies of the Director of the Center in the fiscal years for which the report is prepared. The Director of the Center may prepare such additional reports as the Director determines appropriate. The Director of the Center shall provide the advisory council of the Center an opportunity for the submission of the written comments described in section 485I(g).''.

By Mr. INOUYE:

S. 179. A bill to amend the Public Health Service Act to provide health care practitioners in rural areas with training in preventive health care, including both physical and mental care, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

HEALTH CARE TRAINING ACT OF 1999

Mr. INOUYE. Mr. President, I rise today to introduce the Rural Preventive Health Care Training Act of 1999, a bill that responds to the dire need of our rural communities for quality health care and disease prevention programs.

Almost one fourth of Americans live in rural areas and frequently lack access to adequate physical and mental health care. As many as 21 million of the 34 million people living in underserved rural areas are without access to a primary care provider. In areas where providers exist, there are numerous limits to access, such as geography, distance, lack of transportation, and lack of knowledge about available resources. Due to the divesity of rural populations, language and cultural obstacles are often a factor in the access to medical care.

Compound these problems with limited financial resources and many Americans living in rural communities go without vital health care, especially preventive care. Children fail to receive immunizations and routine checkups. Preventable illnesses and injuries occur needlessly and lead to expensive hospitalizations. Early symptoms of emotional problems and substance abuse go undetected and often develop into full blown disorders.

An Institute of Medicine (IOM) report entitled, ''Reducing Risks for Mental Disorders: Frontiers for Preventive Intervention Research'' highlights the benefits of preventive care for all health problems. Training of health care providers in prevention is crucial in order to meet the demand for care in underserved areas. Currently, rural health care providers face a lack of preventive care training opportunities.

Interdisciplinary preventive training of rural health care providers must be encouraged. Through interdisciplinary training rural health care providers can build a strong foundation from the behavioral, biological and psychological sciences to form the most effective preventive care possible. Interdisciplinary team prevention training will also facilitate both health and mental health clinics sharing single service sites and routine consultation between groups. Emphasizing the mental health disciplines and their servcies as part of the health care team will contribute to the overall health of rural communities.

The Rural Preventive Health Care Training Act of 1999 would implement the risk-reduction model described in the IOM study. This model is based on the identification of risk factors and targets specific interventions for those risk factors.

The human suffering caused by poor health is immeasurable, and places a huge financial burden on communities, families and individuals. By implementing preventive measures to reduce this suffering, the potential psychological and financial savings are enormous.

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

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

S. 179

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 ''Rural Preventive Health Care Training Act of 1999''.

SEC. 2. PREVENTIVE HEALTH CARE TRAINING.

Part D of title VII of the Public Health Service Act, as amended by the Health Professions Education Partnership Act of 1998, is amended by inserting after section 754 the following:

''SEC. 754A. PREVENTIVE HEALTH CARE TRAINING.

''(a) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, eligible applicants to enable such applicants to provide preventive health care training, in accordance with subsection (c), to health care practitioners practicing in rural areas. Such training shall, to the extent practicable, include training in health care to prevent both physical and mental disorders before the initial occurrence of such disorders. In carrying out this subsection, the Secretary shall encourage, but may not require, the use of interdisciplinary training project applications.

''(b) LIMITATION.—To be eligible to receive training using assistance provided under subsection (a), a health care practitioner shall be determined by the eligible applicant involved to be practicing, or desiring to practice, in a rural area.

''(c) USE OF ASSISTANCE.—Amounts received under a grant made or contract entered into under this section shall be used—

''(1) to provide student stipends to individuals attending rural community colleges or other institutions that service predominantly rural communities, for the purpose of enabling the individuals to receive preventive health care training;

''(2) to increase staff support at rural community colleges or other institutions that service predominantly rural communities to facilitate the provision of preventive health care training;

''(3) to provide training in appropriate research and program evaluation skills in rural communities;

''(4) to create and implement innovative programs and curricula with a specific prevention component; and

''(5) for other purposes as the Secretary determines to be appropriate.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of fiscal years 2000 through 2002.''.

By Mr. INOUYE:

S. 180. A bill to amend title XIX of the Social Security Act to provide for coverage of services provided by nursing school clinics under State Medicare programs; to the Committee on Finance.

NURSING SCHOOL CLINICS ACT OF 1999

Mr. INOUYE. Mr. President, I rise today to introduce the Nursing School Clinics Act of 1999. This measure builds on our concerted efforts to provide access to quality health care for all Americans by offering grants and incentives for nursing schools to establish primary care clinics in underserved areas where additional medical services are most needed. In addition, this measure provides the opportunity for nursing schools to enhance the scope of student training and education by providing firsthand clinical experience in primary care facilities.

Nursing school administered primary care clinics are university or nonprofit entity primary care centers developed primarily in collaboration with university schools of nursing and the communities they serve. These centers are staffed by faculty and staff who are nurse practitioners and public health nurses. Students supplement patient care while receiving preceptorships provided by college of nursing faculty and primary care physicians, often associated with academic institutions, who serve as collaborators with nurse practitioners.

To date, the comprehensive models of care provided by nursing clinics have yielded excellent results including significantly fewer emergency room visits, fewer hospital inpatient days, and less use of specialists, as compared to conventional primary health care. The LaSalle Neighborhood Nursing Center, for example, reported that in 1997, fewer than 0.02 percent of the primary care clients reported hospitalization for asthma; fewer than 4 percent of expectant mothers who enrolled delivered low birth rate infants; and 90 percent of infants and young children were immunized on time. In addition, there was a 50 percent reduction in emergency room visits and a 97 percent overall patient satisfaction rate.

The 1997 Balanced Budget Act (P.L. 105–33) included a provision that, for the first time ever, authorized direct Medicare reimbursement of all nurse practitioners and clinical nurse specialists, regardless of the setting in which services are performed. This provision built upon previous legislation that allowed direct reimbursement to individual nurse practitioners for individual services provided in rural health clinics throughout America. Medicaid

is gradually being reformed to incorporate their services more effectively.

This bill reinforces the principle of combining health care delivery in underserved areas with the education of advanced practice nurses. To accomplish these objectives, Title XIX of the Social Security Act would be amended to designate that the services provided in these nursing school clinics are reimbursable under Medicaid. The combination of grants and the provision of Medicaid reimbursement furnishes the incentives and operational resources to establish the clinics.

In order to meet the increasing challenges of bringing cost-effective and quality health care to all Americans, we must consider and debate various proposals, both large and small. Most importantly, we must approach the issue of health care with creativity and determination, ensuring that all reasonable avenues are pursued. Nurses have always been an integral part of health care delivery. The Nursing School Clinics Act of 1999 recognizes the central role they can perform as care givers to the medically underserved.

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

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

S. 180

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

SECTION 1. MEDICAID COVERAGE OF SERVICES PROVIDED BY NURSING SCHOOL CLINICS.

(a) IN GENERAL.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) in paragraph (26), by striking ''and'' at the end;

(2) by redesignating paragraph (27) as paragraph (28); and

(3) by inserting after paragraph (26), the following:

''(27) nursing school clinic services (as defined in subsection (v)) furnished by or under the supervision of a nurse practitioner or a clinical nurse specialist (as defined in section 1861(aa)(5)), whether or not the nurse practitioner or clinical nurse specialist is under the supervision of, or associated with, a physician or other health care provider; and''.

(b) NURSING SCHOOL CLINIC SERVICES DEFINED.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following:

''(v) The term 'nursing school clinic services' means services provided by a health care facility operated by an accredited school of nursing which provides primary care, long-term care, mental health counseling, home health counseling, home health care, or other health care services which are within the scope of practice of a registered nurse.''.

(c) CONFORMING AMENDMENT.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended in subsection (a)(10)(C)(iv), by inserting ''and (27)'' after ''(24)''.

(d) EFFECTIVE DATE.—The amendments made by this Act shall be effective with respect to payments made under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.

By Mr. INOUYE:

S. 181. A bill to amend title XVIII of the Social Security Act to remove the restriction that a professional psychologist or clinical social worker provide services in a comprehensive outpatient rehabilitation facility to a patient only under the care of a physician, and for other purposes; to the Committee on Finance.

AUTONOMOUS FUNCTIONING OF CLINICAL PSYCHOLOGISTS AND SOCIAL WORKERS UNDER MEDICARE COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY PROGRAM

Mr. INOUYE. Mr. President, today I rise to introduce legislation to authorize the autonomous functioning of clinical psychologists and clinical social workers within the Medicare comprehensive outpatient rehabilitation facility program.

In my judgment, it is truly unfortunate that Medicare requires clinical supervision of the services provided by certain health professionals and does not allow these health professionals to function to the full extent of their state practice licenses. It is especially appropriate that those who need the services of outpatient rehabilitation facilities have access to a wide range of social and behavioral science expertise. Clinical psychologists and clinical social workers are recognized as independent providers of mental health care services through the Federal Employee Health Benefits Program, the Civilian Health and Medical Program of the Uniformed Services, the Medicare (Part B) Program, and numerous private insurance plans.

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

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

S. 181

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

SECTION 1. REMOVAL OF RESTRICTION THAT A PROFESSIONAL PSYCHOLOGIST OR CLINICAL SOCIAL WORKER PROVIDE SERVICES IN A COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY TO A PATIENT ONLY UNDER THE CARE OF A PHYSICIAN.

(a) IN GENERAL.—Section 1861(cc)(2)(E) of the Social Security Act (42 U.S.C. 1395x(cc)(2)(E)) is amended by inserting before the semicolon ''(except with respect to services provided by a professional psychologist or a clinical social worker)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services provided on or after January 1, 2000.

By Mr. INOUYE:

S. 182. A bill to amend title 5, United States Code, to require the issuance of a prisoner-of-war medal to civilian employees of the Federal Government who are forcibly detained or interned by an enemy government or a hostile force under wartime conditions; to the Committee on Governmental Affairs.

ESTABLISHMENT OF A PRISONER OF WAR MEDAL FOR CIVILIAN FEDERAL EMPLOYEES

Mr. INOUYE. Mr. President, all too often we find that our Nation's civilians who have been captured by a hostile government do not receive the recognition they deserve. The bill I introduce today would correct this inequity and establish a prisoner of war medal for civilian employees of the Federal Government.

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

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

S. 182

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

SECTION 1. PRISONER-OF-WAR MEDAL FOR CIVILIAN EMPLOYEES OF THE FEDERAL GOVERNMENT.

(a) AUTHORITY TO ISSUE PRISONER-OF-WAR MEDAL.—(1) Subpart A of part III of title 5, United States Code, is amended by inserting after chapter 23 the following new chapter:

''CHAPTER 25—MISCELLANEOUS AWARDS

''Sec.

''2501. Prisoner-of-war medal: issue.

§ 2501. Prisoner-of-war medal: issue

''(a) The President shall issue a prisoner-of-war medal to any person who, while serving in any capacity as an officer or employee of the Federal Government, was forcibly detained or interned, not as a result of such person's own willful misconduct—

''(1) by an enemy government or its agents, or a hostile force, during a period of war; or

''(2) by a foreign government or its agents, or a hostile force, during a period other than a period of war in which such person was held under circumstances which the President finds to have been comparable to the circumstances under which members of the armed forces have generally been forcibly detained or interned by enemy governments during periods of war.

''(b) The prisoner-of-war medal shall be of appropriate design, with ribbons and appurtenances.

''(c) Not more than one prisoner-of-war medal may be issued to a person under this section or section 1128 of title 10. However, for each succeeding service that would otherwise justify the issuance of such a medal, the President (in the case of service referred to in subsection (a) of this section) or the Secretary concerned (in the case of service referred to in section 1128(a) of title 10) may issue a suitable device to be worn as determined by the President or the Secretary, as the case may be.

''(d) For a person to be eligible for issuance of a prisoner-of-war medal, the person's conduct must have been honorable for the period of captivity which serves as the basis for the issuance.

''(e) If a person dies before the issuance of a prisoner-of-war medal to which he is entitled, the medal may be issued to the person's representative, as designated by the President.

''(f) Under regulations to be prescribed by the President, a prisoner-of-war medal that

is lost, destroyed, or rendered unfit for use without fault or neglect on the part of the person to whom it was issued may be replaced without charge.

''(g) In this section, the term 'period of war' has the meaning given such term in section 101(11) of title 38.''.

(2) The table of chapters at the beginning of part III of such title is amended by inserting after the item relating to chapter 23 the following new item:

''25. Miscellaneous Awards ..... 2501''.

(b) APPLICABILITY.—Section 2501 of title 5, United States Code, as added by subsection (a), applies with respect to any person who, after April 5, 1917, is forcibly detained or interned as described in subsection (a) of such section.

By Mr. INOUYE:

S. 183. A bill to amend title 10, United States Code, to authorize certain disabled former prisoners of war to use Department of Defense commissary and exchange stores; to the Committee on Armed Services.

USE OF DEPARTMENT OF DEFENSE COMMISSARY AND EXCHANGE STORES

Mr. INOUYE. Mr. President, I rise today to introduce legislation to enable former prisoners of war who have been separated honorably from their respective services and who have been rated to have at least a 30 percent service-connected disability to have the use of both military commissary and post exchange privileges. While I realize it is impossible to adequately compensate one who has endured long periods of incarceration at the hands of our Nation's enemies, I do feel that this gesture is both meaningful and important to those concerned. It also serves as a reminder that our Nation has not forgotten their sacrifices.

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

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

S. 183

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

SECTION 1. USE OF COMMISSARY AND EXCHANGE STORES BY CERTAIN DISABLED FORMER PRISONERS OF WAR.

(a) IN GENERAL.—Chapter 54 of title 10, United States Code, is amended by inserting after section 1064 the following new section:

''§ 1064a. Use of commissary stores by certain disabled former prisoners of war

''(a) IN GENERAL.—Under regulations prescribed by the Secretary of Defense, former prisoners of war described in subsection (b) may use commissary and exchange stores.

''(b) COVERED INDIVIDUALS.—Subsection (a) applies to any former prisoner of war who—

''(1) is separated from active duty in the armed forces under honorable conditions; and

''(2) has a service-connected disability rated by the Secretary of Veterans' Affairs at 30 percent or more.

''(c) DEFINITIONS.—In this section:

''(1) The term 'former prisoner of war' has the meaning given the term in section 101(32) of title 38.

''(2) The term 'service-connected' has the meaning given the term in section 101(16) of title 38.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1064 the following new item:

''1064a. Use of commissary stores by certain disabled former prisoners of war.''.

By Mr. ASHCROFT (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. BURNS, Mr. BROWNBACK, Mr. GRASSLEY, and Mr. INHOFE):

S. 185. A bill to establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative; to the Committee on Finance.

CHIEF AGRICULTURAL NEGOTIATOR

Mr. ASHCROFT. Mr. President, I rise today to introduce a bill with the Democratic Minority Leader, Senator DASCHLE, that would ensure that our nation's farmers and ranchers have a permanent trade ambassador. Our farmers need a representative in the Office of the U.S. Trade Representative that will focus solely on opening foreign markets and ensuring a level playing field for U.S. agricultural products and services.

In September 1998, American farmers and ranchers faced the first-ever monthly trade deficit for U.S. farm and food products since the United States began tracking trade data in 1941. This sounds the alarm for a state like Missouri that receives over one-fourth of its farm income from agricultural exports.

When I'm thinking about what is good for the nation's agricultural policy, I ask, ''What is good for Missouri?'' That's because Missouri is a leader in farming. Missouri is the No. 2 State in the number of farms we have—second only to Texas. We have just about every crop imaginable, and Missourians are the nation's top producers in many of these crops. Missouri is the second leading state for beef cows. Missouri is second in hay production. Missouri is one of the top five pork producing states. And Missouri is among the top ten states for production of rice, cotton, corn, winter wheat, milk, and watermelon.

With 26 percent of their income coming from exports, Missouri farmers need to know that their ability to export will expand over time, rather than become subject to foreign protectionist policies that choke them out of their market share. During the 1966 farm bill debate, in exchange for decreased government payments, our farmers were promised more export opportunities. It is time for us to deliver on this promise.

America's farmers and ranchers need a permanent Ambassador who will represent their interests worldwide, especially as we face more negotiations in the World Trade Organization and regional negotiations with Central and South America. There are a lot of opportunities that could be opened up to our farmers and ranchers in the coming years.

Currently, Mr. Peter Scher serves as a Special Negotiator for Agriculture, and he has already been very helpful in taking strong stands for our farmers and ranchers. I want to thank him for his work most recently on getting pork added to the United States' retaliation list against the European Union. Senator KERREY and I, and 40 other senators, initiated a broad, bipartisan effort to make the needs of our pork farmers a priority, and we appreciated the fact that we could work closely with someone whose mission is to serve the interests of our nation's farmers. However, while Ambassador Scher may serve our Nation's farmers and ranchers until the end of the current administration, his position has not been made a permanent position through legislation. Therefore, we are introducing this legislation today because we want to ensure that the Agriculture Ambassador position will transcend administrations.

The Agricultural Ambassador (the Chief Agricultural Negotiator) will be responsible for conducting trade negotiations and enforcing trade agreements relating to U.S. agricultural products and services. Also, under the bill the Chief's Agricultural Negotiator would be a vigorous advocate on behalf of U.S. agricultural interests. It is imperative that U.S. interests always have a strong, clear voice at international negotiations.

Foreign countries will always have agriculture trade barriers—so farmers must always have an ambassador representing their interests. We need to send the message to foreign governments that we are serious about breaking down barriers in their markets—now and in the future.

Our farmers and ranchers need to know that their interests will always have a sure seat at the table for trade negotiations. Canada and Mexico have already concluded free trade arrangements with Chile. Farmers in Canada can send their agricultural products to Chile and, in most instances, face a zero percent tariff level, while U.S. farmers are confronted with an average tariff rate of 11 percent in the same market.

The EU is negotiating a trade deal with Mexico, Chile, Argentina, Brazil, Paraguay, and Uruguay. Thus, these countries will give European farmers lower tariffs and more access to their markets at U.S. farmers' and ranchers' expense. America must lead, not follow—in our back yard and around the world.

The Agriculture Ambassador bill we are introducing today is supported by more than 80 agricultural trade associations. Additionally, State branches of these national associations, such as

the Missouri Farm Bureau Federation and the Missouri Pork Producers Council, are weighing in their strong support.

We need to utilize every opportunity we have to help our farmers and ranchers. Making permanent the position of a U.S. Trade Representative for Agriculture will guarantee that the interests of American farmers and ranchers will always have a prominent seat at the negotiating table and will ensure that our agreements are more aggressively enforced.

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

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

S. 185

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

SECTION 1. CHIEF AGRICULTURAL NEGOTIATOR.

(a) ESTABLISHMENT OF A POSITION.—There is established the position of Chief Agricultural Negotiator in the Office of the United States Trade Representative. The Chief Agricultural Negotiator shall be appointed by the President, with the rank of Ambassador, by and with the advice and consent of the Senate.

(b) FUNCTIONS.—The primary function of the Chief Agricultural Negotiator shall be to conduct trade negotiations and to enforce trade agreements relating to U.S. agricultural products and services. The Chief Agricultural Negotiator shall be a vigorous advocate on behalf of U.S. agricultural interests. The Chief Agricultural Negotiator shall perform such other functions as the United States Trade Representative may direct.

(c) COMPENSATION.—The Chief Agricultural Negotiator shall be paid at the highest rate of basic pay payable to a member of the Senior Executive Service.

Mr. BURNS. Mr. President, I rise today in support of a bill that will establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative.

As valuable as this position is to our Nation's farmers, I am concerned that it is not statutorily part of the Federal Government that plays a large role in agriculture trade policy. In December, Peter Scher, the current agriculture negotiator was an instrumental player in a United States-Canada trade agreement that addressed many of the inequities as a result of past trade agreements.

Montana's farmers, and many other farmers nationwide, are dependent on this office to provide oversight and redress for NAFTA and other b- and multi-lateral agreements that may have not had U.S. agriculture in mind. I say that with a critical tone as past agreements negotiated by the current administration were focused on high-tech industries, all but ignoring the plight of the American farmer.

The Canadian trade problem in Montana is monumental, however, it is just a small taste of the beginning of our agriculture trade problems with the European Union which has been less than compromising on many issues.

The European Union (EU) unfairly restricts imports of U.S. agricultural products. Breaking down these barriers to trade must be a top priority of the U.S.T.R. American farmers can compete for any market, anywhere in the world, but they must have access to a level playing field.

We currently have an extraordinary number of unresolved trade disputes with the EU, yet the U.S.T.R. continues to seek U.S./EU trade pacts on issues unrelated to agriculture. It is critical that the U.S.T.R.'s agricultural trade negotiator be included in these discussions. Otherwise, we will be forced to react to poor planning and negotiating as we were last month in Canada. In 1996, U.S. agricultural exports reached a record level of $60 billion, compared to a total U.S. merchandise trade deficit of $170 billion the same year. By establishing this position within the U.S.T.R., it is my hope the administration will recognize what America's farmers mean to our Nation's economy.

By Mr. MURKOWSKI (for himself and Mr. GORTON):

S. 186. A bill to provide for the reorganization of the Ninth Circuit Court of Appeals, and for other purposes; to the Committee on the Judiciary.

NINTH CIRCUIT DIVISION

Mr. MURKOWSKI. Mr. President, I am pleased to be joined by my distinguished colleague from Washington. Senator SLADE GORTON, in introducing legislation that will go far in improving the consistency, predictability and coherency of case law in the Ninth Circuit U.S. Court of Appeals.

Our bill, The Federal Ninth Circuit Reorganization Act of 1999, adopts the recommendations of a congressionally-mandated Commission that studied the alignment of the U.S. Court of Appeals. Retired Supreme Court Justice Byron R. White, chaired the scholarly Commission.

The Commission's Report, released last December, calls for a division of the Ninth Circuit into three regionally based adjudicative divisions—the Northern, Middle, and Southern. Each of these regional divisions would maintain a majority of its judges within its region. Each division would have exclusive jurisdiction over appeals from the judicial districts within its region. Further, each division would function as a semi-autonomous decisional unit. To resolve conflicts that may develop between regions, a Circuit Division for Conflict Correction would replace the current limited and ineffective en banc system. Lastly, the Circuit would remain intact as an administrative unit, functioning as it now does.

It is important to note that the Commission adopted the arguments that I and several other Senators have put forth to justify a complete division of he Ninth Circuit—Circuit population, record caseloads, and inconsistency in judicial decisions. However, the Commission rejected an administrative division because it believed it would ''deprive the courts now in the Ninth Circuit of the administrative advantages afforded by the present circuit configuration and deprive the West and the Pacific seaboard of a means for maintaining uniform federal law in that area.''

While I don't necessarily reach the same conclusion as the Commission (that an administrative division of the Ninth Circuit is not warranted), I strongly agree with the Committee's conclusion that the restructuring of the Ninth Circuit as proposed in the Commission's Report will ''increase the consistency and coherence of the law, maximize the likelihood of genuine collegiality, establish an effective procedure for maintaining uniform decisional law within the circuit, and relate the appellate forum more closely to the region it serves.''

Mr. President, swift congressional action is needed. One need only look at the contours of the Ninth Circuit to see the need for this reorganization. Stretching from the Arctic Circle to the Mexican border, past the tropics of Hawaii and across the International Dateline to Guam and the Mariana Islands, by any means of measurement, the Ninth Circuit is the largest of all U.S. Circuit Courts of Appeal.

The Ninth Circuit serves a population of more than 49 million people, well over a third more than the next largest circuit. By 2010, the Census Bureau estimates that the Ninth Circuit's population will be more than 63 million—a 40-percent increase in just 13 years, which inevitably will create an even more daunting caseload.

Because of its massive size, there often results a decrease in the ability of judges to keep abreast of legal developments within the Ninth Circuit. This unwieldy caseload creates an inconsistency in Constitutional interpretation. In fact, Ninth Circuit cases have an extraordinarily high reversal rate by the Supreme Court. (During the Supreme Court's 1996–97 session, the Supreme Court overturned 95 percent of the Ninth Circuit cases heard by the Court.) This lack of Constitutional consistency discourages settlements and leads to unnecessary litigation.

Ninth Circuit Judge, Diramuid O'Scannlain described the problem as follows:

> An appellate court must function as a unified body, and it must speak with a unified voice. It must maintain and shape a coherent body of law. . . . As the number of opinions increase, we judges risk losing the ability to keep track of precedents and the ability to know what our circuit's law is. In short, bigger is not better.

The legislation that Senator GORTON and I introduce today is a sensible reorganization of the Ninth Circuit. The Northern Division of the Ninth Circuit would join Alaska, Washington, Oregon, Montana, and Idaho. This proposal reflects legislation I introduced in the last Congress which created a new Twelfth Circuit consisting of the States of the Northwest. Like my previous legislation, the Commission's report will go far in creating regional commonality and greater consistency and dependency in legal decisions.

However, it is my strong suggestion that when the Senate Judiciary Committee conducts hearings on their legislation, certain modifications be closely examined:

1. Elimination of the requirement that judges within a region are required to rotate to other regions of the Circuit;

2. Adjustment of the regional alignments to include Hawaii, the Mariana Islands and the Territory of Guam in the Northern Region; and

3. Shortening the period in which the Federal Judicial Center conducts a study of the effectiveness and efficiency of the Ninth Circuit divisions from 8 years to 3 years.

Mr. President, Congress has waited long enough to correct the problems of the Ninth Circuit. The 49 million residents of the Ninth Circuit are the persons that suffer. Many wait years before cases are heard and decided, prompting many to forego the entire appellate process. The Ninth Circuit has become a circuit where justice is not swift and not always served.

Mr. President, we have known the problem of the Ninth Circuit for a long time. It's time to solve the problem. The Commission's recommendations, as reflected in our legislation, is a good first start. I hope we can resolve this issue this year.

By Mr. SARBANES (for himself, Mr. DODD, Mr. BRYAN, Mr. LEAHY, Mr. EDWARDS, and Mr. HOLLINGS):

S. 187. A bill to give customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL INFORMATION PRIVACY ACT OF 1999

Mr. SARBANES. Mr. President, I rise today to address a very important issue: the protection of every American's personal, sensitive, financial information that is held by their bank, securities broker-dealer, or insurance company. I am introducing a bill to provide basic financial privacy protections for our citizens. I am pleased that Senators DODD, BRYAN, LEAHY, EDWARDS, and HOLLINGS are joining me in the introduction of the Financial Information Privacy Act of 1999.

This bill seeks to protect a fundamental right of privacy for every American who entrusts his or her highly sensitive and confidential financial information to a financial institution. Every American should know whether the financial institution with which he or she does business undertakes to sell or share that personal sensitive information with anyone else. Every American should know who would be obtaining that information, and why. Every American should have the opportunity to say "no" if he or she does not want that confidential information disclosed. Every American should be allowed to make certain that the information is correct. And these rights should be enforceable.

This bill, Mr. President, would accomplish these objectives.

Few Americans understand that, under current Federal law, a bank, broker, or insurance company may take any information it obtains about a customer through his or her transactions, and sell or transfer that information to a third party. For example, they may sell that information to a direct marketer or another financial institution, or post it on an Internet website without obtaining the customer's consent or even notifying the customer.

The amount of information that can be disclosed is enormous. It includes:

Savings and checking account balances;

certificate of deposit maturity dates and balances;

any check an individual writes;

any check that is deposited into a customer's account;

stock and mutual fund purchases and sales;

life insurance payouts; and

health insurance claims.

Today's technology makes it easier, faster, and less costly than ever for institutions to have immediate access to large amounts of customer information; to analyze that data; and to send that data to others. Banks, securities firms, and insurance companies are increasingly affiliating and "cross-marketing," or selling the products of affiliates to existing customers. This can entail the warehousing of large amounts of highly sensitive customer information and selling it to or sharing it with other companies, for purposes unknown to the customer. While cross-marketing can bring new and beneficial products to receptive consumers, it can also result in unwanted invasions of personal privacy without customers' knowledge.

A June 8, 1998 Business Week commentary entitled "Big Banker May Be Watching You" underscored the potential abuses:

> Suppose that when you retired, your bank started deluging you with mailings for senior services—each tailored to your exact income, health needs, and spending habits. Or your lender slashed your credit-card limit from $20,000 to $500 after you were diagnosed with a serious disease.
>
> Those two Orwellian scenarios may sound far-fetched, but they might not be for long. In the wake of the . . . mad rush by large insurers to acquire thrift charters, consumer advocates are raising valid questions about whether the insurance arms of these new conglomerates will share sensitive medical records with their lending and marketing divisions.

The New York Times in an October 11, 1998 article entitled "Privacy Matters: When Bigger Banks Aren't Better" observed that:

> A growing number of bankers, lawmakers, banking regulators and consumer advocates [are] worried about the potential dark side of the mergers sweeping the financial industry. As banks, brokerage firms and insurance companies combine into huge new conglomerates, and with legislation before Congress to make such mergers even easier, there is increasing concern about the amount of personal financial and medical data that can be collected under one roof.

Surveys show that the public is widely concerned about its privacy. A November 1998 Louis Harris & Associates survey found that 88 percent of consumers are concerned about threats to their personal privacy—more than half, 55 percent, are "very concerned." 82 percent of consumers say they have lost all control over how personal information is used by companies and 61 percent do not believe that their rights to privacy as a consumer are adequately protected by law or business practices.

Major corporations have bumped up against privacy concerns when expanding their marketing services. For example, in the last 2 years, some major consumer companies announced that they would share or sell their customers' private data to marketers. When customers learned through newspapers stories what was happening, they complained strongly and the companies abandoned the planned sales of the data.

Citizen groups have recently expressed serious concerns about the privacy implications of banks' amassing large databases to meet proposed regulatory requirements to "know your customers."

The Washington Post in an October 31, 1998 editorial entitled "Privacy Here and Abroad" observed widepsread public concern over privacy, stating:

> Concern over the privacy of personal data is sharpening as the problem appears in more and sometimes unexpected contexts—everything from employer testing of people's genetic predisposition to resale of their online reading habits or their bank records. When the data are medical or financial, everyone but the sellers and resellers seems ready to agree that people should have some measure of control over how and by whom their data will be used.

Congress has protected citizens' privacy on prior occasions. In response to

public concerns, Congress passed privacy laws restricting private companies' disclosure of customer information without customer consent, such as in the Cable Communications Policy Act and the Video Privacy Protection Act. Yet while video rentals and cable television selections are prohibited by law from being disclosed, millions of Americans' financial transactions each day have no Federal privacy protection.

Abuses have arisen from the sharing of financial information without a customer's knowledge or permission. For example, the Securities and Exchange Commission (SEC) last year took enforcement action against a large bank that had been giving sensitive customer financial information, including lists of customers with maturing certificates of deposit, to an affiliated stock broker. The SEC found the bank and the broker's employees ''blurred the distinction between the bank and the broker dealer'' and the broker's sales representatives ''used materially false and misleading sales practices'' which ''culminated in unsuitable purchases by investors.'' The SEC found many of the targeted bank customers were elderly.

Many groups have voiced support for legislative consumer financial privacy protections. The American Association of Retired Persons (AARP) submitted testimony to the Senate Banking Committee expressing concern about the vulnerability of citizens, particularly the elderly, and saying that:

> AARP supports the principle that consumers should have a voice in the use of their personal financial information. Currently, banks freely share information about their customers' insured deposit accounts with their uninsured, non-banking affiliates. Brokerage affiliates routinely solicit bank customers based upon this information. This not only blurs the line between banking and non-banking functions, but furthers confuses consumers about which products are insures by the bank, and which are merely sold by the bank's securities affiliate without guarantees. Customers should be given the choice as to whether banks can share information about their accounts with any other entity.

Subsequently, in a letter dated August 25, 1998 with views on H.R. 10, AARP expressed its special concern about older Americans' vulnerability:

> [E]lderly Americans are among those most vulnerable to the complex and fundamental changes already occurring in this period of financial transformation—and they will be put at further risk by the financial mergers permitted by this proposed legislation if the issue of information privacy is not addressed.

In a written statement before the Banking Committee on June 24, 1998, Consumers Union testified,

> As financial services firms diversity and ''cross market'' an array of financial products, their interest in obtaining information about consumers is on a collision course with consumers' interest in protecting their privacy. . . . We believe legislation should prohibit depository institutions and their affiliates from sharing or disclosing information among affiliates or to third parties without first obtaining the customer's written consent.

A group of seven privacy and consumer groups, representing conservative and liberal orientations, including The Free Congress Research and Education Foundation, Consumers Federation of America, Consumers Union, Electronic Privacy Information Center, Privacy International, Privacy Times, and U.S. Public Interest Research Group, wrote on August 26 1998 to all Senate Banking Committee Members to ''sound an urgent alarm about the lack of protections for consumers' financial privacy.''

On September 9, 1998, The Washington Post published an editorial, ''. . . And a Matter of Privacy,'' arguing,

> Along with medical records, financial and credit records probably rank among the kinds of personal data Americans most expect will be kept from prying eyes. As with medical data, though, the privacy of even highly sensitive financial data has been increasingly compromised by mergers, electronic data-swapping and the move to an economy in which the selling of other people's personal information is highly profitable—and legal.

The Post editorial concluded that the privacy amendment to last year's proposed financial modernization legislation which I introduced with Senators DODD and BRYAN was ''a protection well worth considering, especially in the banking context. As the pace of the much-touted 'information economy' quickens, safeguards against these previous unimagined forms of commerce become ever more important.''

The United States now faces pressure from the European Union nations as a result of our lack of privacy protections, in comparison with the ones implemented by the European Union. The European Union Data Protection Directive, which went into effect on October 25, 1998, goes much further than any privacy protections in place in the U.S. The Directive requires that member states protect privacy rights in the collection of data by both the public and private sectors. It prohibits the transfer of data without first obtaining the individual's unambiguous consent regarding the transfer and use of his or her personal financial data.

The EU Directives provides ''that the transfer to a third country of personal data . . . may take place only if . . . the third country in question ensures an adequate level of protection.'' Since the European Union views current U.S. privacy policy as inadequate, U.S. companies that do not provide adequate privacy safeguards may have difficulty conducting business in the EU. The Department of Commerce proposed a safe harbor so that companies which meet certain guidelines would be allowed to conduct business in the EU and send data from the EU to the United States. The EU has not accepted the proposed safe harbor as adequate, and negotiations continue. Meanwhile, U.S. businesses must negotiate private privacy agreements with EU countries or face uncertainties in doing business. Congress by enacting privacy protection legislation could meet the EU standard and thereby solve this problem for American companies.

Unfortunately, industry self-regulation to protect the privacy of information has been tried and, generally, has not worked. Many, if not most, consumers are not informed of plans to sell or share their financial transaction and experience data, are not notified of a right to object, have no access to verify the accuracy of data, and have no independent body to enforce privacy protection. Recent studies by the FTC and the FDIC of on-line Internet privacy protection found self-regulation to be ineffective. Privacy protections for ''off-line'' transactions are far weaker.

I believe that the protection of the privacy of customers' personal financial information is much too important to ignore any longer. Therefore, I am, along with Senators DODD, BRYAN, LEAHY, EDWARDS, and HOLLINGS, introducing the Financial Information Privacy Act of 1999. This bill would require the Federal banking regulators—the Federal Deposit Insurance Company, Federal Reserve, Office of the Comptroller of the Currency and the Office of Thrift Supervision—and the Securities and Exchange Commission to enact rules to protect the privacy of financial information relating to the customers of the institutions they regulate.

The regulators would define ''confidential customer information'' in a way that includes balances, maturity dates, transactions, and payouts in savings accounts, certificates of deposit, securities holding and insurance policies. The regulators would require an institution to:

(1) tell its customers what information it will sell or share, and when, to whom and for what purposes it will be sold or shared;

(2) give customers the right to ''opt out,'' which means they can say ''no'' to the sharing or selling information to affiliates—unless the customer objects, institutions could sell or share customer financial data; and

(3) obtain a customer's informed consent before selling or sharing confidential customer information with an unaffiliated third party.

Under the Act, regulated financial institutions would be required to allow the customer to review the information to be disclosed for accuracy and to correct errors. Also, these institutions could not use confidential customer information obtained from another entity, such as an insurance underwriter,

unless that entity had given its customers the same type of privacy protections as the regulated entities had given their customers.

Disclosure of data under several circumstances would be exempted from coverage, including disclosure of information that is not personally identifiable, disclosure necessary to execute the customer's transaction, and other limited purposes. The Federal bank and securities regulators would enforce the regulations.

The bill recognizes the complexity of the subject matter involved. Rather than have Congress micromanage a solution, we would leave it to the regulators with a direction as to the scope and purposes that should be followed. This approach would afford an opportunity for public notice and comment, so all of those affected could present their arguments. The banking and securities regulators would develop the rules to implement these broad principles in the way most appropriate for the industry, balancing the consumer's privacy choice with business' desire to sell or share their customer's sensitive financial information with others.

As we proceed in an age of technological advances and cross-industry marketing of financial services, we need to be mindful of the privacy concerns of the American public. Consumers who wish to keep their sensitive financial information private should be given a right to do so. Congress can and should provide that privacy protection by giving consumers enforceable rights of notice, consent, and access through passage of the Financial Information Privacy Act.

Mr. President, I ask unanimous consent that the full text of the Financial Information Privacy Act of 1999, together with a brief summary of the bill and some newspaper articles be printed in the RECORD.

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

S. 187

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 ''Financial Information Privacy Act of 1999''.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''covered person'' means a person that is subject to the jurisdiction of any of the Federal financial regulatory authorities; and

(2) the term ''Federal financial regulatory authorities'' means—

(A) each of the Federal banking agencies, as that term is defined in section 3(z) of the Federal Deposit Insurance Act; and

(B) the Securities and Exchange Commission.

SEC. 3. PRIVACY OF CONFIDENTIAL CUSTOMER INFORMATION.

(a) RULEMAKING.—The Federal financial regulatory authorities shall jointly issue final rules to protect the privacy of confidential customer information relating to the customers of covered persons, not later than 270 days after the date of enactment of this Act (and shall issue a notice of proposed rulemaking not later than 150 days after the date of enactment of this Act), which rules shall—

(1) define the term ''confidential customer information'' to be personally identifiable data that includes transactions, balances, maturity dates, payouts, and payout dates, of—

(A) deposit and trust accounts;

(B) certificates of deposit;

(C) securities holdings; and

(D) insurance policies;

(2) require that a covered person may not disclose or share any confidential customer information to or with any affiliate or agent of that covered person if the customer to whom the information relates has provided written notice, as described in paragraphs (4) and (5), to the covered person prohibiting such disclosure or sharing—

(A) with respect to an individual that became a customer on or after the effective date of such rules, at the time at which the business relationship between the customer and the covered person is initiated and at least annually thereafter; and

(B) with respect to an individual that was a customer before the effective date of such rules, at such time thereafter that provides a reasonable and informed opportunity to the customer to prohibit such disclosure or sharing and at least annually thereafter;

(3) require that a covered person may not disclose or share any confidential customer information to or with any person that is not an affiliate or agent of that covered person unless the covered person has first—

(A) given written notice to the customer to whom the information relates, as described in paragraphs (4) and (5); and

(B) obtained the informed written or electronic consent of that customer for such disclosures or sharing;

(4) require that the covered person provide notices and consent acknowledgments to customers, as required by this section, in separate and easily identifiable and distinguishable form;

(5) require that the covered person provide notice as required by this section to the customer to whom the information relates that describes what specific types of information would be disclosed or shared, and under what general circumstances, to what specific types of businesses or persons, and for what specific types of purposes such information could be disclosed or shared;

(6) require that the customer to whom the information relates be provided with access to the confidential customer information that could be disclosed or shared so that the information may be reviewed for accuracy and corrected or supplemented;

(7) require that, before a covered person may use any confidential customer information provided by a third party that engages, directly or indirectly, in activities that are financial in nature, as determined by the Federal financial regulatory authorities, the covered person shall take reasonable steps to assure that procedures that are substantially similar to those described in paragraphs (2) through (6) have been followed by the provider of the information (or an affiliate or agent of that provider); and

(8) establish a means of examination for compliance and enforcement of such rules and resolving consumer complaints.

(b) LIMITATION.—The rules prescribed pursuant to subsection (a) may not prohibit the release of confidential customer information—

(1) that is essential to processing a specific financial transaction that the customer to whom the information relates has authorized;

(2) to a governmental, regulatory, or self-regulatory authority having jurisdiction over the covered financial entity for examination, compliance, or other authorized purposes;

(3) to a court of competent jurisdiction;

(4) to a consumer reporting agency, as defined in section 603 of the Fair Credit Reporting Act for inclusion in a consumer report that may be released to a third party only for a purpose permissible under section 604 of that Act; or

(5) that is not personally identifiable.

(c) CONSTRUCTION.—Nothing in this section or the rules prescribed under this section shall be construed to amend or alter any provision of the Fair Credit Reporting Act.

[From the Washington Post, September 9, 1998]

. . . AND A MATTER OF PRIVACY

Along with medical records, financial and credit records probably rank among the kinds of personal data Americans most expect will be kept from prying eyes. As with medical data, though, the privacy of even highly sensitive financial data has been increasingly compromised by mergers, electronic data-swapping and the move to an economy in which the selling of other people's personal information is highly profitable—and legal.

Just how much of it is legal in the financial arena, though, is a complicated question. The Senate, struggling with a banking bill, is weighing a proposed amendment that would draw clearer lines. A judge at the Federal Trade Commission, after years of trying to police the sale of credit information to telemarketers, two weeks ago ordered one of the country's largest credit reporting bureaus to stop selling customers' sensitive data to such marketers in violation, the agency said, of the Fair Credit Reporting Act.

The Senate's attention to financial privacy comes in the form of a proposed amendment to a banking deregulation bill, already passed by the House, that would allow banks to merge more freely with the providers of other financial services, such as insurers. Once such institutions can merge, though, under current law they are under no restrictions from sharing even otherwise protected customer information from division to division. (The Fair Credit Reporting Act, which offers some tough not comprehensive protection for credit information, doesn't impose the same restrictions on affiliated institutions.)

For instance, watchdog groups say, if Citibank merges with Travelers Inc. insurance as expected, information about your bank balance or a bounced check could be used to deny you insurance coverage. Conversely, data from a medical exam for insurance coverage could be shared with your bank and used to deny you a loan. Milder possibilities include the use of knowledge about your financial assets being shared with or sold to marketers who wish to target customers of a given income bracket.

An amendment proposed by Sens. Paul Sarbanes and Christopher Dodd is likely to be weighed by the committee marking up the Senate bill this week or next. It would block such possibilities by prohibiting sharing or pooling of data not covered by the Fair Credit Reporting Act—known generally as ''experience and transaction data,'' and including

account balances and activity—for any purpose beyond the reason it was collected, unless the customer gives specific permission.

This goes well beyond existing privacy protections, which mostly require that the customer actively ''opt out'' of such uses—a difficult proposition when the customer probably has not the slightest idea that such swapping and spreading of information is legal to begin with. For that very reason, it's a protection well worth considering, especially in the banking context. As the pace of the much-touted ''information economy'' quickens, safeguards against these previously unimagined forms of commerce become ever more important.

[From the New York Times, October 11, 1998]

PRIVACY MATTERS: WHEN BIGGER BANKS AREN'T BETTER

(By Leslie Wayne)

Imagine you are being treated for breast cancer, a fact known to your Travelers' insurance agent from your medical tests and insurance forms. Imagine also that you are applying for a mortgage from, say, Citibank, where you've banked for years and which has just merged with Travelers Group. Despite your excellent credit rating, your mortgage is denied by Citibank for reasons that are unclear.

Or suppose you've just inherited lots of money from a relative's life insurance policy and you put the money into your Fleet Bank account. Pretty soon you get a call from a representative of Quick & Reilly, a brokerage firm you have never heard of but which is owned by Fleet. The broker is equipped with surprisingly detailed knowledge of your financial situation—along with a few ideas about how to invest your windfall.

Both situations may be hypothetical but they aren't so far-fetched, according to a growing number of bankers, lawmakers, banking regulators and consumer advocates worried about the potential dark side of the mergers sweeping the financial industry. As banks, brokerage firms and insurance companies combine into huge new conglomerates, and with legislation before Congress to make such mergers even easier, there is increasing concern about the amount of personal financial and medical data that can be collected under one roof.

FEAR OF DISCLOSURE

So far, this privacy debate has centered mainly on the use of patients' medical records, especially by health maintenance organizations. But a new twist has been added as banks have expanded into businesses like securities and insurance sales, both of which involve the collection of a wide range of personal information.

Just last week, Citicorp and Travelers Group completed their $50 billion merger, creating the world's largest financial services conglomerate, with 70 million customers. The new company, Citigroup, has access to a wealth of customer information, including mutual fund accounts, health claims on insurance policies, and credit card, mortgage and car loan balances. Many consumer advocates are worried that such sensitive data can easily be transferred from one part of the company to another and possibly be disclosed to outside parties.

''It is very important for banks to realize the challenge they face in the privacy area is something new, different and more difficult than what they've dealt with before,'' said Julie Williams, Acting Comptroller of the Currency. ''It's in their self-interest to recognize privacy as a customer concern and deal with it successfully or they may be subject to more restrictive controls on the ability to use this information.''

Nationsbank, which is acquiring the BankAmerica Corporation, has already run into trouble with customer privacy. The company recently paid nearly $40 million to settle a class-action suit and end a Government investigation after more than 18,000 customers many of them elderly, were sold complex derivative securities that were far too risky for them. Nationbank's brokerage arm had used the bank's customer list to target people to approach, many of whom mistakenly believed that the derivatives were safe and insured. As a result, Nationsbank has imposed new limits on the use of private data.

''Talking to a banker used to be like going to confession or seeing a psychiatrist—we thought the information was protected,'' said Edmund Mierzwinski, executive director of the U.S. Public Interest Group.

Financial services companies argue that the ability to swap data between one arm and another is a driving force behind many mergers. Banks want to broaden their ability to ''cross-market'' credit cards to checking deposit customers or sell stocks and bonds to holders of car loans. But bankers say they must be careful to balance this desire to sell new products against the need to maintain the trust of their customers.

''We are very concerned,'' said Edward Yingling, executive director for government relations at the American Bankers Association. ''The key question is, what is the proper balance between appropriate and valuable cross-marketing and invasions of privacy? No one believes medical records should be used for cross-marketing in ways that would be invasive. It's more difficult when financial information can be used to show our customers that other products might be very good for them. That's what everyone has to wrestle with.''

PROMISES

Current law allows bank customers to sign ''opt out'' forms, preventing one part of a bank from giving personal information to another. The Comptroller's office has found, however, that few banks highlight this option. ''Most bank customers can't ever recall seeing anything like this,'' Ms. Williams said.

As part of its merger application to the Federal Reserve Board, Citigroup made a ''Global Privacy Promise,'' which would ''provide customers the right to prevent Citigroup from sharing customer information with others, including affiliates, for cross-marketing purposes.'' Customers will also be given opt-out provisions and Travelers has pledged that it will not share the medical or health information of its insurance customers ''for marketing purposes.'' Consumer advocates like Mr. Mierzwinski say such protections should be a matter of law, and not established case by case.

Senator Christopher J. Dodd, Democrat of Connecticut, has been leading a push in Congress for greater financial privacy restrictions.

''There are hardly any safeguards out there,'' Mr. Dodd told the Senate Banking Committee last month. ''As each year goes by, the vulnerability of the people we represent becomes more exposed. The longer we delay, we are exposing millions to unfair access by people who should not have access.''

[From the Washington Post, October 31, 1998]

PRIVACY HERE AND ABROAD

Concern over the privacy of personal data is sharpening as the problem appears in more and sometimes unexpected contexts—everything from employer testing of people's genetic predispositions to resale of their online reading habits or their bank records. When the data are medical or financial, everyone but the sellers and resellers seems ready to agree that people should have some measure of control over how and by whom their data will be used. But how, other than piece-meal, can such control be established, and what would a more general right to data privacy look like?

One approach very different from that of the United States, as it happens, is about to be thrust upon the consciousness of many American businesses as a European law called the European Union Data Privacy Directive goes into effect. The European directive has drawn attention not only because the European approach to and history on data privacy are sharply different from our own but also because the new directive comes with prohibitions on export that would crimp the options of any company that does business both here and in Europe.

The directive imposes sweeping prohibitions on the use of any personal data without the explicit consent of the person involved, for that purpose only (repeated uses or resale require repeated permission) and also bars companies from exporting any such data to any country not ruled by the EU to have ''adequate'' privacy protection measures already in place. The Europeans have not ruled the United States ''adequate'' in this regard—no surprise there—though individual industries may pass muster or fall under special exemptions.

That means, for instance, that multinational companies cannot allow U.S. offices access to personnel data on European employees, and airlines can't swap reservations data without restrictions. More to the point, they can't share or sell the kinds of data on customers that in this country are now routinely treated as another possible income stream. Would such restraints be a boon to customers on these shores too? Or will Americans, as the data companies frequently argue, find instead that they want the convenience and ''one-on-one marketing'' that this constant dossier-compiling makes possible?

In one early case, a U.S. airline is being sued in Sweden to prevent its compiling and selling a database of, for instance, passengers who requested kosher meals or wheelchair assistance on arrival from transatlantic flights. Do customers want the ''convenience'' of this kind of tracking, and if not, how might they—we—avoid having it offered? The contrast between systems is a chance to consider which of the many business-as-usual uses of data in this country rise to the level of a privacy violation from which citizens should be shielded by law.

[From Business Week, June 8, 1998]

BIG BANKER MAY BE WATCHING YOU

(By Dean Foust)

Suppose that when you retired, your bank started deluging you with mailings for senior services—each tailored to your exact income, health needs, and spending habits. Or your lender slashed your credit-card limit from $20,000 to $500 after you were diagnosed with a serious disease.

Those two Orwellian scenarios may sound far-fetched, but they might not be for long. In the wake of the proposed megamerger between Citicorp and Travelers Group Inc. and the mad rush by large insurers to acquire thrift charters, consumer advocates are raising valid questions about whether the insurance arms of these new conglomerates will

share sensitive medical records with their lending and marketing divisions.

Critics fear that as the new Citigroup and other planned banking behemoths strain to justify their hefty sticker prices, they'll face increasing pressure to exploit customer data for profit. But if they overstep their bounds, the financial industry ''risks a customer backlash that could . . . lead to restrictions on your ability to use previous information resources,'' warns Acting Comptroller of the Currency Julie L. Williams.

Banking representatives downplay the risks, arguing that lenders would be loath to use health records in the credit process for fear of violating the Americans with Disabilities Act. And at Citicorp, spokesman Jack Morris says that ''I don't think we have even thought about'' using Travelers' insurance records.

But the biggest justification for creating conglomerates like Citigroup—and the combined Bank of America-NationsBank Corp.—is exactly the synergy from cross-marketing new products. In 1996, bankers lobbied Congress vigorously for changes in the Fair Credit Reporting Act of 1970 that let them share more credit information with affiliates dealing in life insurance, mortgages, and credit cards—much to the chagrin of activists. ''We think it's inappropriate for banks to use information in ways that consumers didn't expect,'' says Susan Grant of the National Consumers League.

BOILERPLATE

Unfortunately, banks sharing data with affiliates are exempt from some of the regulations governing independent credit bureaus. These bureaus are where lenders up till now have turned to determine a borrower's creditworthiness. But while Congress prohibited the credit bureaus from dealing in medical records without a customer's consent, the new financial hybrids are under no such restrictions. And while banks are required to allow customers to opt out of having their data used for other purposes, banks generally do little to alert customers to their rights—often burying it in legal boilerplate.

If financial firms don't want Congress to intervene, they should erect Chinese walls to prevent confidential health records from being used in the marketing or lending process. Otherwise, the extra dollars generated from ''synergy'' will be diminished by the cost of incurring the public's wrath.

SUMMARY OF FINANCIAL INFORMATION PRIVACY ACT OF 1999

Sec. 1. Short title

The bill will be called the ''Financial Information Privacy Act of 1999.''

Sec. 2. Definitions

The Act defines ''federal financial regulatory authorities'' to include the Fed, FDIC, OTS, OCC and SEC, and the term ''covered person'' to mean persons subject to the regulatory authorities' jurisdictions.

Sec. 3. Privacy of confidential customer information

(A) *Rulemaking*.—The Act requires the Federal Reserve, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Office of the Comptroller of the Currency and Securities and Exchange Commission to promulgate rules within 270 days of the Act's enactment to protect the privacy of financial information relating to the customers of the institutions they regulate.

(1) The regulators will define ''confidential customer information,'' which will include transactions, balances, maturity dates, payouts and payout dates of deposit and trust account, certificates of deposit, securities holdings and insurance policies.

(2) The customers will have the right to prohibit disclosure or sharing confidential customer information with affiliates of the institution (opt-out).

(3) The institutions could not disclose or share confidential customer information with unaffiliated third parties unless the customer has consented to disclosure (opt-in) after receiving notification.

(4) The notices and consent acknowledgments provided to customers must be ''in separate and easily identifiable and distinguishable form.''

(5) The notices would describe the types of information to be disclosed or shared and under what circumstances, to what types of businesses or persons and for what purposes the information could be disclosed or shared.

(6) Customers must be provided with access to the confidential customer information that could be shared to review for accuracy.

(7) Covered persons cannot use confidential customer information from other sources unless the covered persons have taken reasonable steps to assure that procedures substantially similar to those provided for in the Act have been followed.

(8) The regulators shall establish a means of examination for compliance and enforcement and resolving consumer complaints.

(B) *Limitation*.—The Act contains several exceptions, circumstances under which the privacy protections do not apply. The Act would not prohibit the release of confidential customer information:

(1) that is essential to processing a specific financial transaction that the customer has authorized;

(2) to a government, regulatory or self-regulatory authority with jurisdiction over the financial institution for examination, compliance or other authorized purposes;

(3) to a court of competent jurisdiction;

(4) to a consumer reporting agency for inclusion in a consumer report to be released to a third party for a permissible purpose; or

(5) that is not personally identifiable.

(C) *Construction*.—''Nothing in this section or the rules prescribed under this section shall be construed to amend or alter any provision of the Fair Credit Reporting Act.''

Mr. DODD. Mr. President, I rise today with Senator SARBANES to introduce the Financial Information Privacy Act. This important legislation would give customers notice and choice about whether and how their financial institutions share or sell their confidential financial information.

The right to privacy is among the most cherished of our constitutional rights. But this right has been under assault in a number of areas, including with regard to citizens' financial records, medical records, and prescription drug and retail purchases. This bill is an important first step in protecting consumers' most personal, sensitive financial information: their bank account balances, transactions involving their stocks and mutual funds, and payouts on their insurance policies.

This information has become a commodity and is being distributed and sold among businesses all over the world but without the knowledge or consent of the consumers whose very own information is being conveyed. The sharing of their most sensitive, private financial information has become increasingly prevalent given two key factors: (1) technological advances which facilitate the collection and retrieval of information; and (2) the formation of new, diversified business affiliations, under which companies can more easily access personal data on each other's customers.

In this environment, there are dangers of misuse and abuse of confidential financial information. For instance, we know of instances where, without customer permission, some banks have provided in-house, affiliate brokers with lists of older customers who have maturing CDs. The brokers then solicited these consumers for risky investments, which they mislead the customer to believe were FDIC-insured.

The Financial Information Privacy Act of 1999 would require banks and securities firms to protect the privacy of their customers' financial records. Customers would be given the opportunity to prevent banks and securities firms from disclosing or selling this information to affiliates. Before banks or securities firms could disclose or sell the information to third parties, they would be required to give notice to the customer and obtain the express written permission of the consumer before making any such disclosure.

Last September, Senator SARBANES and I proposed legislation similar to the Financial Information Privacy Act as an amendment to HR 10, the Financial Services Modernization Act. Unfortunately, the amendment was defeated in the Senate Banking Committee by a vote of 8–10 along party lines. I was disappointed by this outcome, but am heartened by comments from my colleagues on both sides of the aisle who acknowledge financial privacy as an important issue. I look forward to working with both Democrats and Republicans on the Senate Banking Committee and other interested members on this critical issue. I urge my colleagues to support this proposal. I thank the Chair.

Mr. LEAHY. Mr. President, I am pleased to join Senator SARBANES in introducing the Financial Information Privacy Act of 1999. Senator SARBANES, along with Senators DODD and BRYAN, have been leaders on the Senate Banking Committee in protecting the privacy of personal financial information.

Mr. President, the right to privacy is a personal and fundamental right protected by the Constitution of the United States. But the American people are growing more and more concerned over encroachments on their personal privacy.

It seems that everywhere we turn, new technologies, new communications media, and new business services created with the best of intentions and highest of expectations also pose a

threat to our ability to keep our lives to ourselves, to live, work and think without having giant corporations looking over our shoulders.

This incremental encroachment on our privacy has happened through the lack of safeguards on personal, financial and medical information about each of us that can be stolen, sold or mishandled and find its way into the wrong hands with the push of a button.

Our right of privacy has become one of the most vulnerable rights in the information age. The digitalization of information and the explosion in the growth of computing and electronic networking offer tremendous potential benefits to the way Americans live, work, conduct commerce, and interact with their government. But the new technology also presents new threats to our individual privacy and security, in particular, our ability to control the terms under which our personal information is acquired, disclosed, and used.

In the financial services industry, for example, conglomerates are offering a wide variety of services, each of which requires a customer to provide financial, medical or other personal information. And nothing in the law prevents subsidiaries within the conglomerate from sharing this information for uses other than the use the customer thought he or she was providing it for. In fact, under current Federal law, a financial institution can sell, share, or publish savings account balances, certificates of deposit maturity dates and balances, stock and mutual fund purchases and sales, life insurance payouts and health insurance claims.

Our legislation would protect the privacy of this financial information by directing the Federal Reserve Board, Office of Thrift Supervision, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and the Securities and Exchange Commission to jointly promulgate rules requiring financial institutions they regulate to: (1) inform their customers what information is to be disclosed, and when, to whom and for what purposes the information is to be disclosed; (2) allow customers to review the information for accuracy; and (3) for new customers, obtain the customers' consent to disclosure, and for existing customers, give the customers a reasonable opportunity to object to disclosure. These financial institutions could use confidential customer information from other entities only if the entities had given their customers similar privacy protections.

I hope the Financial Information Privacy Act is just the beginning of this new Congress' efforts to address the privacy issues raised by ultra competitive marketplaces in the information age.

For the past three Congresses, I have introduced comprehensive medical privacy legislation. I plan to soon introduce the Medical Information Privacy and Security Act to establish the first comprehensive federal medical privacy law. It would close the existing gaps in federal privacy laws to ensure the protection of personally identifiable health information. Medical records contain the most intimate, sensitive information about a person and must be safeguarded.

This Congress will also need to consider how our privacy safeguards for personal, financial and medical information measure up to the tough privacy standards established by the European Union Data Protection Directive, which took effect on October 25, 1998. That could be a big problem for American businesses, since the new rules require EU member countries to prohibit the transmission of personal data to or through any non-EU country that fails to provide adequate data protection as defined under European law.

European officials have said repeatedly over the past year that the patchwork of privacy laws in the United States may not meet their standards. Our law is less protective than EU standards in a variety of respects on a range of issues, including requirements to obtain data fairly and lawfully; limitations on the collection of sensitive data; limitations on the purpose of data collection; bans on the collection and storage of unnecessary personal information; requirements regarding data accuracy; limitations regarding duration of storage; and centralized supervision of privacy protections and practices.

The problem is not that Europe protects privacy too much. The problem is our own failure to keep U.S. privacy laws up to date. The EU Directive is an example of the kind of privacy protection that American consumers need and do not have. It has encouraged European companies to develop good privacy techniques. It has produced policies, including policies on cryptography, that are consistent with the interests of both consumers and businesses.

The Financial Information Privacy Act updates U.S. privacy laws in the evolving financial services industry. It calls for fundamental protections of the personal, confidential financial information of all American citizens. I urge my colleagues to support it.

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

S. 188. A bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements; to the Committee on Environment and Public Works.

WATER CONSERVATION AND QUALITY INCENTIVES ACT

Mr. WYDEN. Mr. President, twenty-five years after enactment of the Clean Water Act, we still have not achieved the law's original goal that all our nation's lakes, rivers and streams would be safe for fishing and swimming.

After 25 years, it's time for the next generation of strategies to solve our remaining water quality problems. We need to give States new tools to overcome the new water quality challenges they are now facing.

The money that has been invested in controlling water pollution from factories and upgrading sewage treatment plants has gone a long way to controlling these urban pollution sources. In most cases, the remaining water quality problems are no longer caused by pollution spewing out of factory pipes. Instead, they are caused by runoff from a myriad of sources ranging from farm fields to city streets and parking lots.

In my home State of Oregon, more than half of our streams don't fully meet water quality standards. And the largest problems are contamination form runoff and meeting the standards for water temperatures.

In many cases, conventional approaches will not solve these problems. But we can achieve water temperature standards and obtain other water quality benefits by enhancing stream flows and improving runoff controls.

A major problem for many streams in Oregon and in many other areas of the Western United States is that water supplies are fully appropriated or over-appropriated. There is currently no extra water to spare for increased stream flows.

We can't create new water to fill the gap. But we can make more water available for this use through increased water conservation and more efficient use of existing water supplies.

The key to achieving this would be to create incentives to reduce wasteful water use.

In the Western United States, irrigated agriculture is the single largest user of water. Studies indicate that substantial quantities of water diverted for irrigation do not make it to the fields, with a significant portion lost to evaporation or leakage from irrigation canals.

In Oregon and other States that recognize rights to conserved water for those who conserve it, irrigators and other water users could gain rights to use conserved water while also increasing the amount of water available for other uses by implementing conservation and efficiency measures to reduce water loss.

The Federal government can play a role in helping meet our nation's changing water needs. In many Western States, supply problems can be addressed by providing financial incentives to help water users implement cost effective water conservation and efficiency measures consistent with State water law.

And, we can improve water quality throughout the nation by giving greater flexibility to States to use Clean

Water Act funds to control polluted runoff, if that's where the money is needed most.

Today, I am pleased to be joined by my colleague, Senator BURNS, in introducing legislation to authorize the Clean Water State Revolving Fund program to provide loans to water users to fund conservation measures or runoff controls. States would be authorized, but not required, to use their SRF funds for these purposes. Participation by water users, farmers, ranchers and other eligible loan recipients would also be entirely voluntary.

The conservation program would be structured to allow participating users to receive a share of the water saved through conservation or more efficient use, which they could use in accordance with State law. This type of approach would create a win/win situation with more water available for both the conservers and for instream flows. And, by using the SRF program, the Federal seed money would be repaid over time and gradually become available to fund conservation or other measures to solve water quality problems in other areas.

My proposal has the support of the Farm Bureau, Oregon water users, the Environmental Defense Fund and the Oregon Water Trust.

I urge my colleagues to support giving States greater flexibility to use their Clean Water funds for water conservation or runoff control when the State decides that is the best way to solve water quality problems and the water users voluntarily agree to participate.

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

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

S. 188

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 ''Water Conservation and Quality Incentives Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) in many parts of the United States, water supplies are insufficient to meet current or expected future demand during certain times of the year;

(2) a number of factors (including growing populations, increased demands for food and fiber production, and new environmental demands for water) are placing increased demands on existing water supply sources;

(3) increased water conservation, water quality enhancement, and more efficient use of water supplies could help meet increased demands on water sources;

(4) in States that recognize rights to conserved water for persons who conserve it, irrigation suppliers, farmers, ranchers, and other users could gain rights to use conserved water while also increasing the quantity of water available for other beneficial uses by implementing measures to reduce water loss during transport to, or application on, the fields;

(5) reducing the quantity of water lost during transport to the fields and improving water quality can help areas better meet changing population and economic needs; and

(6) the role of the Federal Government in helping meet those changing water needs should be to provide financial assistance to help irrigators, farmers, and ranchers implement practical, cost-effective water quality and conservation measures.

SEC. 3. USE OF STATE REVOLVING LOAN FUNDS FOR WATER CONSERVATION IMPROVEMENTS.

Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) is amended—

(1) in the first sentence of subsection (c)—

(A) by striking ''and (3)'' and inserting ''(3)''; and

(B) by inserting before the period at the end the following: '', (4) for construction of water conservation improvements by eligible recipients under subsection (i)''; and

(2) by adding at the end the following:

''(i) WATER CONSERVATION IMPROVEMENTS.—

''(1) DEFINITION OF ELIGIBLE RECIPIENT.—In this subsection, the term 'eligible recipient' means a municipality, quasi-municipality, municipal corporation, special district, conservancy district, irrigation district, water users' association, tribal authority, intermunicipal, interstate, or State agency, nonprofit private organization, a member of such an association, authority, agency, or organization, or a lending institution, located in a State that has enacted laws that—

''(A) provide a water user who invests in a water conservation improvement with a right to use water conserved by the improvement, as allowed by State law;

''(B) provide authority to reserve minimum flows of streams in the State; and

''(C) prohibit transactions that adversely affect existing water rights.

''(2) FINANCIAL ASSISTANCE.—A State may provide financial assistance from its water pollution control revolving fund to an eligible recipient to construct a water conservation improvement, including—

''(A) piping or lining of an irrigation canal;

''(B) wastewater and tailwater recovery or recycling;

''(C) irrigation scheduling;

''(D) water use measurement or metering;

''(E) on-field irrigation efficiency improvements; and

''(F) any other improvement that the State determines will provide water conservation benefits.

''(3) VOLUNTARY PARTICIPATION.—The participation of an eligible recipient in the water conservation improvement shall be voluntary.

''(4) USE OF CONSERVED WATER.—The quantity of water conserved through the water conservation improvement shall be allocated in accordance with applicable State law, including any applicable State law requiring a portion of the conserved water to be used for instream flow enhancement or other conservation purposes.

''(5) LIMITATION ON USE FOR IRRIGATED AGRICULTURE.—Conserved water made available under paragraph (4) shall not be used to irrigate land that has not previously been irrigated unless the use is authorized by State law and will not diminish water quality.''.

SEC. 4. USE OF STATE REVOLVING LOAN FUNDS FOR WATER QUALITY IMPROVEMENTS.

Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) (as amended by section 3) is amended—

(1) in the first sentence of subsection (c), by inserting before the period at the end the following: '', and (5) for construction of water quality improvements or practices by eligible recipients under subsection (j)''; and

(2) by adding at the end the following:

''(j) WATER QUALITY IMPROVEMENTS.—

''(1) DEFINITION OF ELIGIBLE RECIPIENT.—In this subsection, the term 'eligible recipient' means a municipality, quasi-municipality, municipal corporation, special district, conservancy district, irrigation district, water users' association or member of such an association, tribal authority, intermunicipal, interstate, or State agency, nonprofit private organization, or lending institution.

''(2) FINANCIAL ASSISTANCE.—A State may provide financial assistance from its water pollution control revolving fund to an eligible recipient to construct or establish water quality improvements or practices that the State determines will provide water quality benefits.

''(3) VOLUNTARY PARTICIPATION.—The participation of an eligible recipient in the water quality improvements or practices shall be voluntary.''.

SEC. 5. CONFORMING AMENDMENTS.

Section 601(a) of the Federal Water Pollution Control Act (33 U.S.C. 1381(a)) is amended—

(1) by striking ''and (3)'' and inserting ''(3)''; and

(2) by inserting before the period at the end the following: '', and (4) for construction of water conservation and quality improvements by eligible recipients under subsections (i) and (j) of section 603''.

By Mr. INOUYE:

S. 189. A bill to restore the traditional day of observance of Memorial Day; to the Committee on the Judiciary.

MEMORIAL DAY

Mr. INOUYE. Mr. President, in our effort to accommodate many Americans by making the last Monday in May, Memorial Day, we have lost sight of the significance of this day to our nation. Instead of using Memorial Day as a time to honor and reflect on the sacrifices made by Americans in combat, many Americans use the day as a celebration of the beginning of summer. My bill would restore Memorial Day to May 30 and authorize our flag to fly at half mast on that day. In addition, this legislation would authorize the President to issue a proclamation designating Memorial Day and Veterans Day as days for prayer and ceremonies honoring American veterans. This legislation would help restore the recognition our veterans deserve for the sacrifices they have made on behalf of our nation.

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

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

S. 189

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

SECTION 1. RESTORATION OF TRADITIONAL DAY OF OBSERVANCE OF MEMORIAL DAY.

(a) IN GENERAL.—Section 6103(a) of title 5, United States Code, is amended in the item relating to Memorial Day by striking out ''the last Monday in May.'' and inserting in lieu thereof ''May 30.''.

(b) DISPLAY OF FLAG.—Section 2(d) of the joint resolution entitled ''An Act to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America'', approved June 22, 1942 (36 U.S.C. 174(d)), is amended by striking out ''the last Monday in May;'' and inserting in lieu thereof ''May 30;''.

(c) PROCLAMATION.—The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe Memorial Day as a day for prayer and ceremonies showing respect for American veterans of wars and other military conflicts.

By Mr. INOUYE:

S. 190. A bill to amend title 10, United States Code, to permit former members of the Armed Forces who have a service-connected disability rated as total to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are entitled to travel on such aircraft; to the Committee on Armed Services.

ON TRAVEL ON MILITARY AIRCRAFT BY VETERANS WITH SERVICE-CONNECTED DISABILITIES

Mr. INOUYE. Mr. President, today I rise to introduce a bill which is of great importance to a group of patriotic Americans. This legislation is designed to extend space-available travel privileges on military aircraft to those who have been completely disabled in the service of our country.

Currently, retired members of the Armed Forces are permitted to travel on a space-available basis on nonscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command. My bill would provide the same benefits for 100 percent service-connected disabled veterans.

Surely, we owe these heroic men and women, who have given so much to our country, a debt of gratitude. Of course, we can never repay them for the sacrifice they have made on behalf of our nation, but we can surely try to make their lives more pleasant and fulfilling. One way in which we can help is to extend military travel privileges to these distinguished American veterans. I have received numerous letters from all over the country attesting to the importance attesting to this issue by veterans. Therefore, I ask that my colleagues show their concern and join me in saying ''thank you'' by supporting this legislation.

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

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

S. 190

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

SECTION 1. TRAVEL ON MILITARY AIRCRAFT OF CERTAIN DISABLED FORMER MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Chapter 53 of title 10, United States Code, is amended by adding after section 1060a the following new section:

''§ 1060b. Travel on military aircraft: certain disabled former members of the armed forces

''The Secretary of Defense shall permit any former member of the armed forces who is entitled to compensation under the laws administered by the Secretary of Veterans' Affairs for a service-connected disability rated as total to travel, in the same manner and to the same extent as retired members of the armed forces, on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command. The Secretary of Defense shall permit such travel on a space-available basis.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1060a the following new item:

''1060b. Travel on military aircraft: certain disabled former members of the armed forces.''.

By Mr. INOUYE:

S. 191. A bill to require the Secretary of the Army to determine the validity of the claims of certain Filipinos that they performed military service on behalf of the United States during World War II; to the Committee on Armed Services.

FILIPINO VETERANS

Mr. INOUYE. Mr. President, I rise today to introduce legislation that would direct the Secretary of the Army to determine whether certain nationals of the Philippine Islands performed military service on behalf of the United States during World War II.

Mr. President, our Filipino veterans fought side by side and sacrificed their lives on behalf of the United States. This legislation would confirm the validity of their claims and further allow qualified individuals the opportunity to apply for military and veterans benefits to which, I believe, they are entitled. As this population becomes older, it is important for our nation to extend its firm commitment to the Filipino veterans and their families who participated in making us the great nation we are today.

I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 191

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

SECTION 1. DETERMINATIONS BY THE SECRETARY OF THE ARMY.

(a) IN GENERAL.—Upon the written application of any person who is a national of the Philippine Islands, the Secretary of the Army shall determine whether such person performed any military service in the Philippine Islands in aid of the Armed Forces of the United States during World War II which qualifies such person to receive any military, veterans', or other benefits under the laws of the United States.

(b) INFORMATION TO BE CONSIDERED.—In making a determination for the purpose of subsection (a), the Secretary shall consider all information and evidence (relating to service referred to in subsection (a)) available to the Secretary, including information and evidence submitted by the applicant, if any.

SEC. 2. CERTIFICATE OF SERVICE.

(a) ISSUANCE OF CERTIFICATE OF SERVICE.—The Secretary shall issue a certificate of service to each person determined by the Secretary to have performed military service described in section 1(a).

(b) EFFECT OF CERTIFICATE OF SERVICE.—A certificate of service issued to any person under subsection (a) shall, for the purpose of any law of the United States, conclusively establish the period, nature, and character of the military service described in the certificate.

SEC. 3. APPLICATIONS BY SURVIVORS.

An application submitted by a surviving spouse, child, or parent of a deceased person described in section 1(a) shall be treated as an application submitted by such person.

SEC. 4. LIMITATION PERIOD.

The Secretary may not consider for the purpose of this Act any application received by the Secretary more than two years after the date of enactment of this Act.

SEC. 5. PROSPECTIVE APPLICATION OF DETERMINATIONS BY THE SECRETARY OF THE ARMY.

No benefits shall accrue to any person for any period prior to the date of enactment of this Act as a result of the enactment of this Act.

SEC. 6. REGULATIONS.

The Secretary shall issue regulations to carry out sections 1, 3, and 4.

SEC. 7. RESPONSIBILITIES OF THE SECRETARY OF VETERANS' AFFAIRS.

Any entitlement of a person to receive veterans benefits by reason of this Act shall be administered by the Department of Veterans' Affairs pursuant to regulations issued by the Secretary of Veterans' Affairs.

SEC. 8. DEFINITIONS.

In this Act:

(1) The term ''Secretary'' means the Secretary of the Army.

(2) The term ''World War II'' means the period beginning on December 7, 1941, and ending on December 31, 1946.

By Mr. KENNEDY (for himself, Mr. DASCHLE, Mr. LEAHY, Mr. SARBANES, Mr. MOYNIHAN, Mr. LEVIN, Mr. DODD, Mr. LAUTENBERG, Mr. BINGAMAN, Mr. KERRY, Mr. HARKIN, Ms. MIKULSKI, Mr. AKAKA, Mr. WELLSTONE, Mrs. FEINSTEIN, Mrs. BOXER, Mrs. MURRAY, Mr. FEINGOLD, Mr. WYDEN, Mr. DURBIN, Mr. TORRICELLI, Mr. REED, and Mr. SCHUMER):

S. 192. A bill to amend the Fair Labor Standards Act of 1938 to increase the

Federal minimum wage; to the Committee on Health, Education, Labor, and Pensions.

THE FAIR MINIMUM WAGE ACT OF 1999

Mr. KENNEDY. Mr. President, it is an honor to join with Senator DASCHLE and other Democratic Senators to introduce the Fair Minimum Wage Act of 1999. This proposal is strongly supported by President Clinton, and is also being introduced today in the House of Representatives by Congressman DAVID BONIOR, Democratic Leader RICHARD GEPHARDT, and many of their colleagues.

The federal minimum wage is now $5.15 an hour. Our bill will raise it by $1.00 over the next two years—a 50 cent increase on September 1, 1999, and another 50 cent increase on September 1, 2000, so that the minimum wage will reach the level of $6.15 by the turn of the century.

These modest increases will help 20 million workers and their families. Twelve million Americans earning less than $6.15 an hour today will see a direct increase in their pay, and another 8 million Americans earning between $6.15 and $7.15 an hour are also likely to benefit from the increase.

To have the purchasing power it had in 1968, the minimum wage should be at least $7.45 an hour today, instead of the current level of $5.15. The gap shows how far we have fallen short in giving low income workers their fair share of our extraordinary economic prosperity. Since 1968, the stock market, adjusted for inflation, has gone up by over 150 percent—while the purchasing power of the minimum wage has gone down by 30 percent.

The nation's economy is the best it has been in decades. Under the leadership of President Clinton, the country as a whole is enjoying a remarkable period of growth and prosperity. Enterprise and entrepreneurship are flourishing—generating an unprecedented expansion, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, unemployment is low, and interest rates are low.

But the benefits of this prosperity have not flowed fairly to minimum wage earners. These workers can barely make ends meet. Working 40 hours a week, 52 weeks a year, they earn $10,712 a year—$2,900 below the poverty line for a family of three. A full day's work should mean a fair day's pay. But for millions of Americans who earn the minimum wage, it doesn't.

According to the Department of Labor, 60% of minimum wage earners are women. Nearly three-fourths are adults. Minimum wage workers are teacher's aides and child care providers, home health care aides and clothing store workers. They care for vast numbers of elderly Americans in nursing homes. They stock shelves in the corner store. They mop the floors and empty the trash in thousands of office buildings in communities across the country.

Three-fifths of these workers are the sole breadwinners in their families. More than half work full time. These families need help. They work hard and they should be treated with dignity. They deserve this increase in the minimum wage.

Opponents typically claim that, if the minimum wage goes up, the sky will fall—small businesses will collapse and jobs will be lost. This hasn't happened in the past, and it won't happen in the future. In fact, in the time that has passed since the most recent increases in the federal minimum wage—a 50-cent increase on October 1, 1996 and a 40-cent increase on September 1, 1997—employment has increased in all sectors of the population.

The American people understand that you can't raise a family on $5.15 an hour. This issue is of vital importance to working families across the country. In the past election, for example, by a margin of 2 to 1, voters in the State of Washington approved a ballot initiative to increase the state minimum wage to $6.50 an hour. In many other states, raising the minimum wage was a potent issue in the election.

The minimum wage is a women's issue. It is a children's issue. It is a civil rights issue. It is a labor issue. It is a family issue. Above all, it is a fairness issue and a dignity issue. I intend to do all I can to see that the minimum wage is increased this year. No one who works for a living should have to live in poverty.

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

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

S. 192

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 ''Fair Minimum Wage Act of 1999''.

SEC. 2. MINIMUM WAGE INCREASE.

(a) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on September 1, 1999; and

''(B) $6.15 an hour beginning on September 1, 2000;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on September 1, 1999.

SEC. 3. APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

Mr. DODD. Mr. President, today I join a number of my colleagues in introducing legislation to increase the minimum wage. There is no better way to reward work than by ensuring each and every worker be paid a living wage.

During the past three decades, the purchasing power of the minimum wage has declined by 30 percent. Even after the modest minimum wage increase in 1996, a person working full-time for the minimum wage earns only $10,712 a year, nearly $3,000 below the poverty level for a family of three. That paycheck must pay for food, housing, health care, child care, and transportation. It is time to reward working families with living wages.

The legislation we are proposing would provide a modest 50-cent per hour increase this year, with an additional 50-cent increase in 2000, bringing the wage level to $6.15 per hour.

More than 10 million people would be helped by a raise in the minimum wage—an increase of more than $2,000 per year for a full-time worker. To put things in context, nearly three quarters of minimum wage earners are adults and 40 percent are the sole breadwinners for their families. Sixty percent of minimum wage workers are women, and 82 percent of all minimum wage earners work more than 20 hours per week.

Since the last minimum wage increase, our nation's economy has continued to grow steadily. In my home State of Connecticut, members of the State legislature saw the wisdom of increasing the minimum wage, and last year enacted a two-step minimum wage increase. The current level is now $5.65, and effective January 1, 2000, the wage will again increase to $6.15 an hour. Connecticut's unemployment rate is 3.8 percent and almost 60,000 new jobs were created in the last two years. The State is close to recovering nearly all of the 156,000 jobs lost during the recession that hit in the early 1990's.

I hope that Congress will follow Connecticut's lead and pass a similar law before the year is through. Congress should take a stand for millions of working Americans and raise the minimum wage.

By Mrs. BOXER:

S. 193. A bill to apply the same quality and safety standards to domestically manufactured handguns that are currently applied to imported handguns; to the Committee on the Judiciary.

AMERICAN HANDGUN STANDARDS ACT OF 1999

By Mrs. BOXER:

S. 194. A bill to amend the Internal Revenue Code of 1986 to allow the first $2,000 of health insurance premiums to be fully deductible; to the Committee on Finance.

HEALTH INSURANCE TAX RELIEF ACT

By Mrs. BOXER:

S. 195. A bill to amend the Internal Revenue Code of 1986 to permanently

extend the research credit; to the Committee on Finance.

RESEARCH AND EXPERIMENTATION TAX CREDIT

By Mrs. BOXER:

S. 196. A bill to amend the Internal Revenue Code of 1986 to waive in the case of multiemployer plans the section 415 limit on benefits to the participant's average compensation for his high 3 years; to the Committee on Finance.

PENSION IMPROVEMENT LEGISLATION

By Mrs. BOXER:

S. 197. A bill to amend the Outer Continental Shelf Lands Act to direct the Secretary of the Interior to cease mineral leasing activity on the outer Continental Shelf seaward of a coastal State that has declared a moratorium on mineral exploration, development, or production activity in State water; to the Committee on Energy and Natural Resources.

COASTAL STATES PROTECTION ACT

By Mrs. BOXER:

S. 198. A bill to amend the Public Health Service Act to provide for the training of health professions students with respect to the identification and referral of victims of domestic violence; to the Committee on Health, Education, Labor, and Pensions.

DOMESTIC VIOLENCE IDENTIFICATION AND REFERRAL ACT OF 1999

Mrs. BOXER. Mr. President, I rise today to introduce several important bills that I hope the Senate will consider early in the 106th Congress.

The first bill is the American Handgun Standards Act. This legislation would require that handguns made in the United States meet the same standards currently required of imported handguns. This legislation would halt the sale and manufacture of new ''junk guns,'' which have been found by criminologists to be disproportionately used in crimes.

The next bill is the Health Insurance Tax Deduction. This important legislation would make the costs of health insurance tax deductible for individuals who purchase their own health coverage—up to a maximum of $2,000 per year. Currently health care costs are only deductible for corporations and the self-employed. Current law clearly discriminates against individuals and should be changed.

Also included is legislation to make the Research and Experimentation Tax Credit permanent. Virtually all economists agree that the R&E Tax Credit is a valuable incentive that encourages high-tech companies to develop innovative products. In the past, however, the credit has been enacted intermittently and only for very limited periods of time. The on-again, off-again nature of the R&E Tax Credit makes it very difficult for companies to plan long-term research projects. It should be made permanent.

The next bill would improve our pension system by exempting multi-employer plans from the annual income limits of Section 415 of the Internal Revenue Code. Current law sets pension compensation based on three consecutive years of pay. However, for workers whose income fluctuates from year-to-year, this requirement may lower annual benefits. To ensure fairness for these workers, multi-employer plans should be exempted from Section 415.

Next is the Coastal States Protection Act, which will provide necessary protection for the nation's Outer Continental Shelf (OCS) from the adverse effects of offshore oil and gas development by making management of the federal OCS consistent with state-mandated protection of state waters. Simply put, my bill says that when a state establishes a drilling moratorium on part or all of its coastal waters, that protection would be extended to adjacent federal waters.

The final bill is the Domestic Violence Identification and Referral Act, which would help ensure that medical professionals have the training they need to recognize and treat domestic violence, including spouse abuse, child abuse, and elder abuse. The bill will amend the Public Health Service Act to require the Secretary of Health and Human Services to give preference in awarding grants to institutions that train health professionals in identifying, treating, and referring patients who are victims of domestic violence to appropriate services.

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

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

S. 193

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 ''American Handgun Standards Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Gun Control Act of 1968 prohibited the importation of handguns that failed to meet minimum quality and safety standards;

(2) the Gun Control Act of 1968 did not impose any quality and safety standards on domestically produced handguns;

(3) domestically produced handguns are specifically exempted from oversight by the Consumer Product Safety Commission and are not required to meet any quality and safety standards;

(4) each year—

(A) gunshots kill more than 35,000 Americans and wound approximately 250,000;

(B) approximately 75,000 Americans are hospitalized for the treatment of gunshot wounds;

(C) Americans spend more than $20 billion for the medical treatment of gunshot wounds; and

(D) gun violence costs the United States economy a total of $135 billion;

(5) the disparate treatment of imported handguns and domestically produced handguns has led to the creation of a high-volume market for junk guns, defined as those handguns that fail to meet the quality and safety standards required of imported handguns;

(6) traffic in junk guns constitutes a serious threat to public welfare and to law enforcement officers;

(7) junk guns are used disproportionately in the commission of crimes; and

(8) the domestic manufacture, transfer, and possession of junk guns should be restricted.

SEC. 3. DEFINITION OF JUNK GUN.

Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

''(35) The term 'junk gun' means any handgun that does not meet the standard imposed on imported handguns as described in section 925(d)(3), and any regulations issued under such section.''.

SEC. 4. RESTRICTION ON MANUFACTURE, TRANSFER, AND POSSESSION OF CERTAIN HANDGUNS.

Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

''(z)(1) Subject to paragraph (2), it shall be unlawful for a person to manufacture, transfer, or possess a junk gun that has been shipped or transported in interstate or foreign commerce.

''(2) Paragraph (1) does not apply to—

''(A) the possession or transfer of a junk gun otherwise lawfully possessed under Federal law on the date of the enactment of the American Handgun Standards Act of 1999;

''(B) a firearm or replica of a firearm that has been rendered permanently inoperative;

''(C)(i) the manufacture for, transfer to, or possession by, the United States or a State or a department or agency of the United States, or a State of a department, agency, or political subdivision of a State, of a junk gun; or

''(ii) the transfer to, or possession by, a law enforcement officer employed by an entity referred to in clause (i) of a junk gun for law enforcement purposes (whether on or off-duty);

''(D) the transfer to, or possession by, a rail police officer employed by a rail carrier and certified or commissioned as a police officer under the laws of a State of a junk gun for the purposes of law enforcement (whether on or off-duty); or

''(E) the manufacture, transfer, or possession of a junk gun by a licensed manufacturer or licensed importer for the purposes of testing or experimentation authorized by the Secretary.''.

S. 194

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 ''Health Insurance Tax Relief Act''.

SEC. 2. FIRST $2,000 OF HEALTH INSURANCE PREMIUMS FULLY DEDUCTIBLE.

(a) IN GENERAL.—Subsection (a) of section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended to read as follows:

''(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction the following amounts not compensated for by insurance or otherwise—

''(1) the amount by which the amount of expenses paid during the taxable year (reduced by the amount deductible under paragraph (2)) for medical care of the taxpayer, the taxpayer's spouse, and the taxpayer's dependents (as defined in section 152) exceeds 7.5 percent of adjusted gross income, plus

''(2) so much of the expenses paid during the taxable year for insurance which constitutes medical care under subsection (d)(1)(D) (other than for a qualified long-term care insurance contract) for such taxpayer, spouse, and dependents as does not exceed $2,000.''

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

''(18) HEALTH INSURANCE PREMIUMS.—The deduction allowed by section 213(a)(2).''

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

''(A) IN GENERAL.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the sum of—

''(i) so much of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents as does not exceed $2,000, plus

''(ii) the applicable percentage of the amount so paid in excess of $2,000.''

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

S. 195

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

SECTION 1. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) of such Code is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1999.

S. 196

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

SECTION 1. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415 LIMIT ON BENEFITS.

(a) IN GENERAL.—Paragraph (11) of section 415(b) of the Internal Revenue Code of 1986 (relating to special limitation rule for governmental plans) is amended—

(1) in the heading, by inserting ''AND MULTIEMPLOYER PLANS'' after ''GOVERNMENTAL PLANS''; and

(2) by inserting ''or a multiemployer plan (as defined in section 414(f))'' after ''governmental plan (as defined in section 414(d))''.

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

S. 197

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 ''Coastal States Protection Act''.

SEC. 2. STATE MORATORIA ON OFFSHORE MINERAL LEASING.

Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

''(p) STATE MORATORIA.—When there is in effect with respect to land beneath navigable water (as defined in section 2 of the Submerged Lands Act (16 U.S.C. 1301)) of a coastal State a moratorium on oil, gas, or other mineral exploration, development, or production activity established by statute or by order of the Governor, the Secretary shall not issue a lease for the exploration, development, or production of minerals on the outer Continental Shelf that is seaward of or adjacent to that land.''.

S. 198

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 ''Domestic Violence Identification and Referral Act of 1999''.

SEC. 2. ESTABLISHMENT, FOR CERTAIN HEALTH PROFESSIONS PROGRAMS, OF PROVISIONS REGARDING DOMESTIC VIOLENCE.

(a) TITLE VII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 791 of the Public Health Service Act (42 U.S.C. 295j) is amended by adding at the end the following:

''(c) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF DOMESTIC VIOLENCE.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training in carrying out the following functions as a provider of health care:

''(A) Identifying victims of domestic violence, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of domestic violence.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of medicine, a school of osteopathic medicine, a graduate program in mental health practice, a school of nursing (as defined in section 853), a program for the training of physician assistants, or a program for the training of allied health professionals.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Domestic Violence Identification and Referral Act of 1999, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying the health professions entities that are receiving preference under paragraph (1); the number of hours of training required by the entities for purposes of such paragraph; the extent of clinical experience so required; and the types of courses through which the training is being provided.

''(4) DEFINITIONS.—For purposes of this subsection, the term 'domestic violence' includes behavior commonly referred to as domestic violence, sexual assault, spousal abuse, woman battering, partner abuse, child abuse, elder abuse, and acquaintance rape.''.

(b) TITLE VIII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 806 of the Public Health Service Act is amended by adding at the end the following:

''(i) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF DOMESTIC VIOLENCE.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training in carrying out the following functions as a provider of health care:

''(A) Identifying victims of domestic violence, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of domestic violence.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of nursing or other public or nonprofit private entity that is eligible to receive an award described in such paragraph.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Domestic Violence Identification and Referral Act of 1999, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying the health professions entities that are receiving preference under paragraph (1); the number of hours of training required by the entities for purposes of such paragraph; the extent of clinical experience so required; and the types of courses through which the training is being provided.

''(4) DEFINITIONS.—For purposes of this subsection, the term 'domestic violence' includes behavior commonly referred to as domestic violence, sexual assault, spousal abuse, woman battering, partner abuse, child abuse, elder abuse, and acquaintance rape.''.

By Mr. LAUTENBERG (for himself and Mr. TORRICELLI):

S. 199. A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko; to the Committee on the Judiciary.

PRIVATE RELIEF BILL

Mr. LAUTENBERG. Mr. President, I rise today to introduce legislation that will help my constituent Vova Malofienko, and his parents, to live a healthy and productive life in the United States.

Tragically, Vova was a victim of the Chernobyl reactor explosion. He has battled Leukemia his whole life. Since his arrival in the United States for cancer treatment in 1992, he and his parents have sought to remain here because the air, food, and water in the Ukraine are still contaminated with radiation and are perilous to those like Vova who have a weakened immune system. Additionally, cancer treatment available in the Ukraine is not as sophisticated as medical care available in the United States.

Although Vova's cancer has gone into remission because of the excellent health care he has received, the seven other children who came to the United States with Vova were not as fortunate. They returned to the Ukraine and they died, one by one, because of inadequate cancer treatment. Not one child survived.

Because of his perilous medical condition, Vova and his family have done everything possible to remain in the United States. Since 1992, they have obtained a number of visa extensions, and I have helped them with their efforts. In March of 1997, the last time the Malofienkos' visas were expiring, I appealed to the INS and the family was given what I was told would be final one-year extension.

Across the country, people have rallied in support of Vova's cause. The Children of Chernobyl Relief Fund, national Ukrainian and religious organizations, and Vova's classmates at Millburn Middle School have all worked to help the Malofienkos.

During the last session of Congress, I introduced legislation to help Vova and his family. With the help of Senators ABRAHAM, HATCH, and DASCHLE, the Senate passed the bill unanimously. However, the House failed to pass it before the end of the last session.

I hope that my Senate colleagues will help move this legislation forward expeditiously. We must give Vova and his family a chance to live their lives in peace.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 199

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

SECTION 1. PERMANENT RESIDENCE.

Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko, as provided in section 1, the Secretary of State shall instruct the proper officer to reduce by the appropriate number during the current fiscal year the total number of immigrant visas available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).

By Mr. HARKIN (for himself and Mr. JOHNSON):

S. 200. A bill to amend the Internal Revenue Code of 1986 to increase the years for carryback of net operating losses for certain farm losses; to the Committee on Finance.

NET OPERATING LOSSES FOR FARMERS

Mr. HARKIN. Mr. President, today, I am introducing legislation for myself and Senator JOHNSON providing farmers with the option of receiving a refund from taxes paid in the past 10 years for their current operating losses.

I was pleased to see a net operating loss provision included in the Omnibus Appropriations measure allowing farmers to carry back their losses for 5 years. But, a five year period is insufficient given the economic reality in Agriculture.

Farmers are suffering huge losses through no fault of their own. No other business has less control of the price they can receive for what they produce. Farmers cannot control the world's weather or the World economy. But, those factors determine the price of corn, soybeans and wheat. The Freedom to Farm bill passed in 1997 sharply reduced the farmer's safety net. Farm prices have crashed to levels not seen in decades. Many farmers are going to have a very difficult time being able to acquire the funds needed to plant their crops in the coming year or maintain their annual operations. Grain farmers received some assistance in the Omnibus Appropriations measure. But, it was not sufficient. Livestock producers received very limited help in that measure. And, in the last few months we have seen hog prices drop to levels that were, adjusted for inflation, far lower than anything seen at the worst point of the Great Depression. Many farmers could lose the farms that have been in their families for generations. Those low prices and the resulting sharp reduction in hog producers' financial resources is changing the whole structure of hog production. Cattle prices also have been significantly below the cost of production for over a year. And, the economic difficulty is far broader. It is already having a terrible ripple effect on the economies of rural areas. Layoffs have been occurring at agricultural equipment manufacturers and in stores of all kinds in small towns across the country. We are just at the beginning stages of what could become a very severe downturn in rural America.

A number of Senators and I are proposing a series of modifications in agicultural programs to help alleviate these programs. But, I believe the Congress needs to also pass a provision broadening existing law allowing farmers to recover taxes paid in the past to cover their net operating losses for 10 years.

I propose that the option to carry losses back for 10 years only apply to family farmers. That would include those with gross sales of less than $7 million and the losses covered would be up to $200,000 per year in operating losses. The benefit would only go to farmers whose families are actively engaged in farming and whose business activity is mostly farming. The amount of the rebate would be dependent on the amount of the loss and the tax rate paid by the farmer for the paid taxes that are being restored.

The 10 year provision would only cover losses occurring in 1998 to 1999. For losses occuring in 1998, farmers would be able to calculate their loss now and seek an immediate rebate from the IRS for the taxes paid in earlier years.

Current law already allows a few taxpayers in certain circumstances to go back and recover taxes that they paid for 10 years. I believe that it should be broadened to cover farmers in this difficult time. In fact, there is a precedent in the 1997 Taxpayer Relief Act in which Amtrak was allowed to use net operating losses of their predecessor railroads from over 25 years in the past.

I urge that when the Congress considers a tax bill, this provision be considered and passed.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mrs. MURRAY, Ms. MIKULSKI, Mr. HARKIN, Mr. KERRY, Mr. AKAKA, Mrs. BOXER, and Mr. WELLSTONE):

S. 201. A bill to amend the Family and Medical Leave Act of 1993 to apply the Act to a greater percentage of the United States workforce, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE FAMILY AND MEDICAL LEAVE FAIRNESS ACT OF 1999

Mr. DODD. Mr. President, six years ago, I came to the floor of the U.S. Senate to introduce the Family and Medical Leave Act. That introduction and the signing of the bill into law a few weeks later by President Clinton was the culmination of an eight-year struggle to make job-protected leave accessible for working Americans, in times of family or medical emergency.

Today, at a time when many Americans are deeply cynical toward the

work we do here in Washington, the Family and Medical Leave Act stands in sharp contrast.

It responded to a deep and genuine need among American Families. Over the last six years, I have heard from many working Americans about what this law has meant to them. But no story captures the impact of our work better than the one expectant mother I heard from who kept a copy of the Family and Medical Leave Act in her bedside table. She had a difficult pregnancy and was often on doctor-ordered bed rest; she said she kept the FMLA nearby and read it as reassurance that she wouldn't lose her job or her health insurance.

The Family and Medical Leave Act has been a lifeline for tens of millions of families as they have responded at those key moments that define a family—when there is a new child or when serious illness strikes. With the FMLA, working Americans can take 12 weeks off to cope with these basic family needs without worry that they will lose their jobs or their health insurance.

Yet, even with the success of the FMLA there is still more work to be done.

Millions of Americans are not covered by the Family and Medical Leave Act and continue to face painful choices involving their competing responsibilities to family and work.

In fact, over one-quarter of working Americans needed to take family and medical leave in 1998 but were unable to do so. Forty-four percent of these Americans did not take the leave they needed because they would have lost their jobs or their employers do not allow it.

Today, forty-three percent of private sector employees remain unprotected by the FMLA because their employer does not meet the current 50 or more employee threshold.

The legislation I introduce today—the Family and Medical Leave Fairness Act of 1999—will extend the Family and Medical Leave Act to millions of Americans who remain uncovered. I am pleased to be joined in this effort by Senators DASCHLE, KENNEDY, MURRAY, MIKULSKI, HARKIN, KERRY, AKAKA, and BOXER.

This bill would lower the threshold to include coverage for companies with 25 or more workers.

This small step would provide 13 million additional workers with protection of the Family and Medical Leave Act—raising the total percentage of the private sector workforce covered by the FMLA to 71 percent.

In my view, these workers deserve the same job security in times of family and medical emergency that workers in larger companies receive from the Family and Medical Leave Act.

With this legislation they will receive it.

Now, for those of my colleagues who still harbor doubts about the success of the Family and Medical Leave Act, I strongly urge them to examine the bipartisan Commission of Leave report and other studies that documents the positive impact of this legislation.

When the bill was passed in 1993, provisions in the legislation established a commission to examine the impact of the act on workers and businesses.

The Family and Medical Leave Commission's analysis spanned two and a half years. It included independent research and field hearings across the country to learn first hand about the act's impact from individuals and the business community.

The report's conclusions are clear—the Family and Medical Leave Act is helping to expand opportunities for working Americans while at the same time not placing any undue burden on employers.

According to the Commission's final report, the Family and Medical Leave Act represents ''A significant step in helping a larger cross-section of working Americans meet their medical and family care giving needs while still maintaining their jobs and economic security.''

Due to this legislation, Americans now possess greater opportunities to keep their health benefits, maintain job security, and take longer leaves for a greater number of reasons.

In fact, according to the bipartisan Commission—12 million workers took job-protected leave for reasons covered by the Family and Medical Leave Act during the 18 months of its study.

Not only are American workers reaping the benefits. The law is working for American business as well.

The conclusions of the bipartisan report are a far cry from the concerns that were voiced when this law was being considered in Congress.

The vast majority of businesses—over 94%—report little to no additional costs associated with the Family and Medical Leave Act. More than 92% reported no noticeable effect on profitability. And nearly 96% reported no noticeable effect on business growth. Additionally, 83% of employers reported no noticeable impact on employee productivity. In fact, 12.6% actually reported a positive effect on employee productivity from the Family and Medical Leave Act, twice as many as reported a negative effect.

And not only did employers report that compliance with the FMLA was relatively easy and of minimal cost, but work sites with a small number of employees generally reported greater ease of administration and even smaller costs than large work sites.

Today, I introduce this legislation with the hope and expectation that we can put aside our political differences and build on the success of the Family and Medical Leave Act.

Last November, the American people gave us mandate—a mandate for good governance. The Family and Medical Leave Act represents the fulfillment of this goal and I urge all my colleagues to join with me in supporting this critically important legislation for America's working families.

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

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

S. 201

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 cited as the ''Family and Medical Leave Fairness Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.) has provided employees with a significant new tool in balancing the needs of their families with the demands of work;

(2) the Family and Medical Leave Act of 1993 has had a minimal impact on business, and over 90 percent of private employers covered by the Act experienced little or no cost and a minimal, or positive, impact on productivity as a result of the Act;

(3) although both employers at workplaces with large numbers of employees and employers at workplaces with small numbers of employees reported that compliance with the Family and Medical Leave Act of 1993 involved very easy administration and low costs, the smaller employers found it easier and less expensive to comply with the Act than the larger employers;

(4) over three-quarters of worksites with under 50 employees covered by the Family and Medical Leave Act of 1993 report no cost increases or small cost increases associated with compliance with the Act;

(5) in 1998, 27 percent of Americans needed to take family or medical leave but were unable to do so, and 44 percent of these employees did not take such leave because they would have lost their jobs or their employers did not allow it;

(6) only 57 percent of the private workforce is currently protected by the Family and Medical Leave Act of 1993; and

(7) 13,000,000 more private employees, or an additional 14 percent of the private workforce, would be protected by the Family and Medical Leave Act of 1993 if the Act was expanded to cover private employers with 25 or more employees.

SEC. 3. COVERAGE OF EMPLOYEES.

Paragraphs (2)(B)(ii) and (4)(A)(i) of section 101 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2611(2)(B)(ii) and (4)(A)(i)) are amended by striking ''50'' each place it appears and inserting ''25''.

By Mr. MOYNIHAN (for himself, Mr. KENNEDY, and Mr. DASCHLE):

S. 202. A bill to amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to improve access to health insurance and Medicare benefits for individuals ages 55 to 65, and for other purposes; to the Committee on Finance.

THE MEDICARE EARLY ACCESS ACT OF 1999

Mr. MOYNIHAN. Mr. President, today, I introduce a bill to provide access to health insurance for individuals between the ages of 55–65. These individuals are too young for Medicare, not poor enough to qualify for Medicaid, and in many cases, are forced into early retirement or pushed out of their jobs in corporate downsizing.

The ''Medicare Early Access Act'' is based on the President's three-part initiative announced last January. The bill is a targeted proposal to give older Americans under 65 new options to obtain health insurance coverage. Many of these Americans have worked hard all their lives, but, through no fault of their own, find themselves uninsured just as they are entering the years when the risk of serious illness is increasing. This legislation attempts to bridge the gap in coverage between years when persons are in the labor force and the age (65) when they become eligible for Medicare.

The bill has three parts: (1) It enables persons between ages 62 and 64 to buy into Medicare by paying a full premium; (2) It provides displaced workers over age 55 access to Medicare by offering a similar Medicare buy-in option; and (3) It extends COBRA coverage to persons 55 and over whose employers withdraw retiree health benefits.

The program is largely self-financing and is substantially paid for by premiums from the beneficiaries themselves. There is a modest cost to the buy-in proposal for 62–65-year-olds because participants would pay the premium in two parts: most of the cost would be paid by the individual up front and a smaller amount would be paid after they turn 65 years-old. Medicare would in effect ''loan'' participants the second part of the premium until they reach 65, when they would make small monthly payments in addition to their regular Medicare Part B premium. The financing of the program is carefully walled off from the Medicare Part A and Part B Trust Funds, to ensure that it will not adversely impact the existing program.

In 1998, the Congressional Budget Office (CBO) analysis of this bill found no impact on the Medicare Part A or Part B Trust Funds. CBO also predicted that about 410,000 individuals would participate (or 33 percent more than first estimated by the Administration). Finally, CBO estimated that the post-65 premium that people ages 62-65 would pay would be only $10 per month per year—$6 per month, or $72 less per year, than the Administration estimated.

Mr. President, the problem of health insurance for the near elderly is getting worse. Congress should act now to provide valuable coverage for these individuals.

I ask unanimous consent that the summary and the full text of the bill be printed in the RECORD.

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

S. 202

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 ''Medicare Early Access Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 62-TO-65 YEARS OF AGE

Sec. 101. Access to medicare benefits for individuals 62-to-65 years of age.

''PART D—PURCHASE OF MEDICARE BENEFITS BY CERTAIN INDIVIDUALS AGE 62-TO-65 YEARS OF AGE

''Sec. 1859. Program benefits; eligibility.
''Sec. 1859A. Enrollment process; coverage.
''Sec. 1859B. Premiums.
''Sec. 1859C. Payment of premiums.
''Sec. 1859D. Medicare Early Access Trust Fund.
''Sec. 1859E. Oversight and accountability.
''Sec. 1859F. Administration and miscellaneous.''.

TITLE II—ACCESS TO MEDICARE BENEFITS FOR DISPLACED WORKERS 55-TO-62 YEARS OF AGE

Sec. 201. Access to medicare benefits for displaced workers 55-to-62 years of age.

TITLE III—COBRA PROTECTION FOR EARLY RETIREES

Subtitle A—Amendments to the Employee Retirement Income Security Act of 1974

Sec. 301. COBRA continuation benefits for certain retired workers who lose retiree health coverage.

Subtitle B—Amendments to the Public Health Service Act

Sec. 311. COBRA continuation benefits for certain retired workers who lose retiree health coverage.

Subtitle C—Amendments to the Internal Revenue Code of 1986

Sec. 321. COBRA continuation benefits for certain retired workers who lose retiree health coverage.

TITLE I—ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 62-TO-65 YEARS OF AGE

SEC. 101. ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 62-TO-65 YEARS OF AGE.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended—

(1) by redesignating section 1859 and part D as section 1858 and part E, respectively; and

(2) by inserting after such section the following new part:

''PART D—PURCHASE OF MEDICARE BENEFITS BY CERTAIN INDIVIDUALS AGE 62-TO-65 YEARS OF AGE

''SEC. 1859. PROGRAM BENEFITS; ELIGIBILITY.

''(a) ENTITLEMENT TO MEDICARE BENEFITS FOR ENROLLED INDIVIDUALS.—

''(1) IN GENERAL.—An individual enrolled under this part is entitled to the same benefits under this title as an individual entitled to benefits under part A and enrolled under part B.

''(2) DEFINITIONS.—For purposes of this part:

''(A) FEDERAL OR STATE COBRA CONTINUATION PROVISION.—The term 'Federal or State COBRA continuation provision' has the meaning given the term 'COBRA continuation provision' in section 2791(d)(4) of the Public Health Service Act and includes a comparable State program, as determined by the Secretary.

''(B) FEDERAL HEALTH INSURANCE PROGRAM DEFINED.—The term 'Federal health insurance program' means any of the following:

''(i) MEDICARE.—Part A or part B of this title (other than by reason of this part).

''(ii) MEDICAID.—A State plan under title XIX.

''(iii) FEHBP.—The Federal employees health benefit program under chapter 89 of title 5, United States Code.

''(iv) TRICARE.—The TRICARE program (as defined in section 1072(7) of title 10, United States Code).

''(v) ACTIVE DUTY MILITARY.—Health benefits under title 10, United States Code, to an individual as a member of the uniformed services of the United States.

''(C) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term in section 2791(a)(1) of the Public Health Service Act.

''(b) ELIGIBILITY OF INDIVIDUALS AGE 62-TO-65 YEARS OF AGE.—

''(1) IN GENERAL.—Subject to paragraph (2), an individual who meets the following requirements with respect to a month is eligible to enroll under this part with respect to such month:

''(A) AGE.—As of the last day of the month, the individual has attained 62 years of age, but has not attained 65 years of age.

''(B) MEDICARE ELIGIBILITY (BUT FOR AGE).—The individual would be eligible for benefits under part A or part B for the month if the individual were 65 years of age.

''(C) NOT ELIGIBLE FOR COVERAGE UNDER GROUP HEALTH PLANS OR FEDERAL HEALTH INSURANCE PROGRAMS.—The individual is not eligible for benefits or coverage under a Federal health insurance program (as defined in subsection (a)(2)(B)) or under a group health plan (other than such eligibility merely through a Federal or State COBRA continuation provision) as of the last day of the month involved.

''(2) LIMITATION ON ELIGIBILITY IF TERMINATED ENROLLMENT.—If an individual described in paragraph (1) enrolls under this part and coverage of the individual is terminated under section 1859A(d) (other than because of age), the individual is not again eligible to enroll under this subsection unless the following requirements are met:

''(A) NEW COVERAGE UNDER GROUP HEALTH PLAN OR FEDERAL HEALTH INSURANCE PROGRAM.—After the date of termination of coverage under such section, the individual obtains coverage under a group health plan or under a Federal health insurance program.

''(B) SUBSEQUENT LOSS OF NEW COVERAGE.—The individual subsequently loses eligibility for the coverage described in subparagraph (A) and exhausts any eligibility the individual may subsequently have for coverage under a Federal or State COBRA continuation provision.

''(3) CHANGE IN HEALTH PLAN ELIGIBILITY DOES NOT AFFECT COVERAGE.—In the case of an individual who is eligible for and enrolls under this part under this subsection, the individual's continued entitlement to benefits under this part shall not be affected by the individual's subsequent eligibility for benefits or coverage described in paragraph (1)(C), or entitlement to such benefits or coverage.

''SEC. 1859A. ENROLLMENT PROCESS; COVERAGE.

''(a) IN GENERAL.—An individual may enroll in the program established under this

part only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed by the Secretary consistent with the provisions of this section. Such regulations shall provide a process under which—

''(1) individuals eligible to enroll as of a month are permitted to pre-enroll during a prior month within an enrollment period described in subsection (b); and

''(2) each individual seeking to enroll under section 1859(b) is notified, before enrolling, of the deferred monthly premium amount the individual will be liable for under section 1859C(b) upon attaining 65 years of age as determined under section 1859B(c)(3).

''(b) ENROLLMENT PERIODS.—

''(1) INDIVIDUALS 62-TO-65 YEARS OF AGE.—In the case of individuals eligible to enroll under this part under section 1859(b)—

''(A) INITIAL ENROLLMENT PERIOD.—If the individual is eligible to enroll under such section for July 2000, the enrollment period shall begin on May 1, 2000, and shall end on August 31, 2000. Any such enrollment before July 1, 2000, is conditioned upon compliance with the conditions of eligibility for July 2000.

''(B) SUBSEQUENT PERIODS.—If the individual is eligible to enroll under such section for a month after July 2000, the enrollment period shall begin on the first day of the second month before the month in which the individual first is eligible to so enroll and shall end 4 months later. Any such enrollment before the first day of the third month of such enrollment period is conditioned upon compliance with the conditions of eligibility for such third month.

''(2) AUTHORITY TO CORRECT FOR GOVERNMENT ERRORS.—The provisions of section 1837(h) apply with respect to enrollment under this part in the same manner as they apply to enrollment under part B.

''(c) DATE COVERAGE BEGINS.—

''(1) IN GENERAL.—The period during which an individual is entitled to benefits under this part shall begin as follows, but in no case earlier than July 1, 2000:

''(A) In the case of an individual who enrolls (including pre-enrolls) before the month in which the individual satisfies eligibility for enrollment under section 1859, the first day of such month of eligibility.

''(B) In the case of an individual who enrolls during or after the month in which the individual first satisfies eligibility for enrollment under such section, the first day of the following month.

''(2) AUTHORITY TO PROVIDE FOR PARTIAL MONTHS OF COVERAGE.—Under regulations, the Secretary may, in the Secretary's discretion, provide for coverage periods that include portions of a month in order to avoid lapses of coverage.

''(3) LIMITATION ON PAYMENTS.—No payments may be made under this title with respect to the expenses of an individual enrolled under this part unless such expenses were incurred by such individual during a period which, with respect to the individual, is a coverage period under this section.

''(d) TERMINATION OF COVERAGE.—

''(1) IN GENERAL.—An individual's coverage period under this part shall continue until the individual's enrollment has been terminated at the earliest of the following:

''(A) GENERAL PROVISIONS.—

''(i) NOTICE.—The individual files notice (in a form and manner prescribed by the Secretary) that the individual no longer wishes to participate in the insurance program under this part.

''(ii) NONPAYMENT OF PREMIUMS.—The individual fails to make payment of premiums required for enrollment under this part.

''(iii) MEDICARE ELIGIBILITY.—The individual becomes entitled to benefits under part A or enrolled under part B (other than by reason of this part).

''(B) TERMINATION BASED ON AGE.—The individual attains 65 years of age.

''(2) EFFECTIVE DATE OF TERMINATION.—

''(A) NOTICE.—The termination of a coverage period under paragraph (1)(A)(i) shall take effect at the close of the month following for which the notice is filed.

''(B) NONPAYMENT OF PREMIUM.—The termination of a coverage period under paragraph (1)(A)(ii) shall take effect on a date determined under regulations, which may be determined so as to provide a grace period in which overdue premiums may be paid and coverage continued. The grace period determined under the preceding sentence shall not exceed 60 days; except that it may be extended for an additional 30 days in any case where the Secretary determines that there was good cause for failure to pay the overdue premiums within such 60-day period.

''(C) AGE OR MEDICARE ELIGIBILITY.—The termination of a coverage period under paragraph (1)(A)(iii) or (1)(B) shall take effect as of the first day of the month in which the individual attains 65 years of age or becomes entitled to benefits under part A or enrolled for benefits under part B (other than by reason of this part).

''SEC. 1859B. PREMIUMS.

''(a) AMOUNT OF MONTHLY PREMIUMS.—

''(1) BASE MONTHLY PREMIUMS.—The Secretary shall, during September of each year (beginning with 1999), determine the following premium rates which shall apply with respect to coverage provided under this title for any month in the succeeding year:

''(A) BASE MONTHLY PREMIUM FOR INDIVIDUALS 62 YEARS OF AGE OR OLDER.—A base monthly premium for individuals 62 years of age or older is equal to 1/12 of the base annual premium rate computed under subsection (b) for each premium area.

''(B) DEFERRED MONTHLY PREMIUMS FOR INDIVIDUALS 62 YEARS OF AGE OR OLDER.—The Secretary shall, during September of each year (beginning with 1999), determine under subsection (c) the amount of deferred monthly premiums that shall apply with respect to individuals who first obtain coverage under this part under section 1859(b) in the succeeding year.

''(3) ESTABLISHMENT OF PREMIUM AREAS.—For purposes of this part, the term 'premium area' means such an area as the Secretary shall specify to carry out this part. The Secretary from time to time may change the boundaries of such premium areas. The Secretary shall seek to minimize the number of such areas specified under this paragraph.

''(b) BASE ANNUAL PREMIUM FOR INDIVIDUALS 62 YEARS OF AGE OR OLDER.—

''(1) NATIONAL, PER CAPITA AVERAGE.—The Secretary shall estimate the average, annual per capita amount that would be payable under this title with respect to individuals residing in the United States who meet the requirement of section 1859(b)(1)(A) as if all such individuals were eligible for (and enrolled) under this title during the entire year (and assuming that section 1862(b)(2)(A)(i) did not apply).

''(2) GEOGRAPHIC ADJUSTMENT.—The Secretary shall reduce, as determined appropriate, the amount determined under paragraph (1) for a premium area (specified under subsection (a)(3)) that has costs below the national average, in order to assure participation in all areas throughout the United States.

''(3) BASE ANNUAL PREMIUM.—The base annual premium under this subsection for months in a year for individuals 62 years of age or older residing in a premium area is equal to the average, annual per capita amount estimated under paragraph (1) for the year, adjusted for such area under paragraph (2).

''(c) DEFERRED PREMIUM RATE FOR INDIVIDUALS 62 YEARS OF AGE OR OLDER.—The deferred premium rate for individuals with a group of individuals who obtain coverage under section 1859(b) in a year shall be computed by the Secretary as follows:

''(1) ESTIMATION OF NATIONAL, PER CAPITA ANNUAL AVERAGE EXPENDITURES FOR ENROLLMENT GROUP.—The Secretary shall estimate the average, per capita annual amount that will be paid under this part for individuals in such group during the period of enrollment under section 1859(b). In making such estimate for coverage beginning in a year before 2004, the Secretary may base such estimate on the average, per capita amount that would be payable if the program had been in operation over a previous period of at least 4 years.

''(2) DIFFERENCE BETWEEN ESTIMATED EXPENDITURES AND ESTIMATED PREMIUMS.—Based on the characteristics of individuals in such group, the Secretary shall estimate during the period of coverage of the group under this part under section 1859(b) the amount by which—

''(A) the amount estimated under paragraph (1); exceeds

''(B) the average, annual per capita amount of premiums that will be payable for months during the year under section 1859C(a) for individuals in such group (including premiums that would be payable if there were no terminations in enrollment under clause (i) or (ii) of section 1859A(d)(1)(A)).

''(3) ACTUARIAL COMPUTATION OF DEFERRED MONTHLY PREMIUM RATES.—The Secretary shall determine deferred monthly premium rates for individuals in such group in a manner so that—

''(A) the estimated actuarial value of such premiums payable under section 1859C(b), is equal to

''(B) the estimated actuarial present value of the differences described in paragraph (2).

Such rate shall be computed for each individual in the group in a manner so that the rate is based on the number of months between the first month of coverage based on enrollment under section 1859(b) and the month in which the individual attains 65 years of age.

''(4) DETERMINANTS OF ACTUARIAL PRESENT VALUES.—The actuarial present values described in paragraph (3) shall reflect—

''(A) the estimated probabilities of survival at ages 62 through 84 for individuals enrolled during the year; and

''(B) the estimated effective average interest rates that would be earned on investments held in the trust funds under this title during the period in question.

''SEC. 1859C. PAYMENT OF PREMIUMS.

''(a) PAYMENT OF BASE MONTHLY PREMIUM.—

''(1) IN GENERAL.—The Secretary shall provide for payment and collection of the base monthly premium, determined under section 1859B(a)(1) for the age (and age cohort, if applicable) of the individual involved and the premium area in which the individual principally resides, in the same manner as for payment of monthly premiums under section

1840, except that, for purposes of applying this section, any reference in such section to the Federal Supplementary Medical Insurance Trust Fund is deemed a reference to the Trust Fund established under section 1859D.

''(2) PERIOD OF PAYMENT.—In the case of an individual who participates in the program established by this title, the base monthly premium shall be payable for the period commencing with the first month of the individual's coverage period and ending with the month in which the individual's coverage under this title terminates.

''(b) PAYMENT OF DEFERRED PREMIUM FOR INDIVIDUALS COVERED AFTER ATTAINING AGE 62.—

''(1) RATE OF PAYMENT.—

''(A) IN GENERAL.—In the case of an individual who is covered under this part for a month pursuant to an enrollment under section 1859(b), subject to subparagraph (B), the individual is liable for payment of a deferred premium in each month during the period described in paragraph (2) in an amount equal to the full deferred monthly premium rate determined for the individual under section 1859B(c).

''(B) SPECIAL RULES FOR THOSE WHO DISENROLL EARLY.—

''(i) IN GENERAL.—If such an individual's enrollment under such section is terminated under clause (i) or (ii) of section 1859A(d)(1)(A), subject to clause (ii), the amount of the deferred premium otherwise established under this paragraph shall be pro-rated to reflect the number of months of coverage under this part under such enrollment compared to the maximum number of months of coverage that the individual would have had if the enrollment were not so terminated.

''(ii) ROUNDING TO 12-MONTH MINIMUM COVERAGE PERIODS.—In applying clause (i), the number of months of coverage (if not a multiple of 12) shall be rounded to the next highest multiple of 12 months, except that in no case shall this clause result in a number of months of coverage exceeding the maximum number of months of coverage that the individual would have had if the enrollment were not so terminated.

''(2) PERIOD OF PAYMENT.—The period described in this paragraph for an individual is the period beginning with the first month in which the individual has attained 65 years of age and ending with the month before the month in which the individual attains 85 years of age.

''(3) COLLECTION.—In the case of an individual who is liable for a premium under this subsection, the amount of the premium shall be collected in the same manner as the premium for enrollment under such part is collected under section 1840, except that any reference in such section to the Federal Supplementary Medical Insurance Trust Fund is deemed to be a reference to the Medicare Early Access Trust Fund established under section 1859D.

''(c) APPLICATION OF CERTAIN PROVISIONS.—The provisions of section 1840 (other than subsection (h)) shall apply to premiums collected under this section in the same manner as they apply to premiums collected under part B, except that any reference in such section to the Federal Supplementary Medical Insurance Trust Fund is deemed a reference to the Trust Fund established under section 1859D.

''SEC. 1859D. MEDICARE EARLY ACCESS TRUST FUND.

''(a) ESTABLISHMENT OF TRUST FUND.—

''(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Medicare Early Access Trust Fund' (in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1) and such amounts as may be deposited in, or appropriated to, such fund as provided in this title.

''(2) PREMIUMS.—Premiums collected under section 1859B shall be transferred to the Trust Fund.

''(b) INCORPORATION OF PROVISIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), subsections (b) through (i) of section 1841 shall apply with respect to the Trust Fund and this title in the same manner as they apply with respect to the Federal Supplementary Medical Insurance Trust Fund and part B, respectively.

''(2) MISCELLANEOUS REFERENCES.—In applying provisions of section 1841 under paragraph (1)—

''(A) any reference in such section to 'this part' is construed to refer to this part D;

''(B) any reference in section 1841(h) to section 1840(d) and in section 1841(i) to sections 1840(b)(1) and 1842(g) are deemed references to comparable authority exercised under this part; and

''(C) payments may be made under section 1841(g) to the trust funds under sections 1817 and 1841 as reimbursement to such funds for payments they made for benefits provided under this part.

''SEC. 1859E. OVERSIGHT AND ACCOUNTABILITY.

''(a) THROUGH ANNUAL REPORTS OF TRUSTEES.—The Board of Trustees of the Medicare Early Access Trust Fund under section 1859D(b)(1) shall report on an annual basis to Congress concerning the status of the Trust Fund and the need for adjustments in the program under this part to maintain financial solvency of the program under this part.

''(b) PERIODIC GAO REPORTS.—The Comptroller General of the United States shall periodically submit to Congress reports on the adequacy of the financing of coverage provided under this part. The Comptroller General shall include in such report such recommendations for adjustments in such financing and coverage as the Comptroller General deems appropriate in order to maintain financial solvency of the program under this part.

''SEC. 1859F. ADMINISTRATION AND MISCELLANEOUS.

''(a) TREATMENT FOR PURPOSES OF THIS TITLE.—Except as otherwise provided in this part—

''(1) an individual enrolled under this part shall be treated for purposes of this title as though the individual was entitled to benefits under part A and enrolled under part B; and

''(2) benefits described in section 1859 shall be payable under this title to such an individual in the same manner as if such individual was so entitled and enrolled.

''(b) NOT TREATED AS MEDICARE PROGRAM FOR PURPOSES OF MEDICAID PROGRAM.—For purposes of applying title XIX (including the provision of medicare cost-sharing assistance under such title), an individual who is enrolled under this part shall not be treated as being entitled to benefits under this title.

''(c) NOT TREATED AS MEDICARE PROGRAM FOR PURPOSES OF COBRA CONTINUATION PROVISIONS.—In applying a COBRA continuation provision (as defined in section 2791(d)(4) of the Public Health Service Act), any reference to an entitlement to benefits under this title shall not be construed to include entitlement to benefits under this title pursuant to the operation of this part.''.

(b) CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT PROVISIONS.—

(1) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking ''or the Federal Supplementary Medical Insurance Trust Fund'' and inserting ''the Federal Supplementary Medical Insurance Trust Fund, and the Medicare Early Access Trust Fund''.

(2) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended by striking ''and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII'' and inserting '', the Federal Supplementary Medical Insurance Trust Fund, and the Medicare Early Access Trust Fund established by title XVIII''.

(3) Section 1820(i) of such Act (42 U.S.C. 1395i–4(i)) is amended by striking ''part D'' and inserting ''part E''.

(4) Part C of title XVIII of such Act is amended—

(A) in section 1851(a)(2)(B) (42 U.S.C. 1395w–21(a)(2)(B)), by striking ''1859(b)(3)'' and inserting ''1858(b)(3);

(B) in section 1851(a)(2)(C) (42 U.S.C. 1395w–21(a)(2)(C)), by striking ''1859(b)(2)'' and inserting ''1858(b)(2)'';

(C) in section 1852(a)(1) (42 U.S.C. 1395w–22(a)(1)), by striking ''1859(b)(3)'' and inserting ''1858(b)(3);

(D) in section 1852(a)(3)(B)(ii) (42 U.S.C. 1395w–22(a)(3)(B)(ii)), by striking ''1859(b)(2)(B)'' and inserting ''1858(b)(2)(B)'';

(E) in section 1853(a)(1)(A) (42 U.S.C. 1395w–23(a)(1)(A)), by striking ''1859(e)(4)'' and inserting ''1858(e)(4)''; and

(F) in section 1853(a)(3)(D) (42 U.S.C. 1395w–23(a)(3)(D)), by striking ''1859(e)(4)'' and inserting ''1858(e)(4)''.

(5) Section 1853(c) of such Act (42 U.S.C. 1395w–23(c)) is amended—

(A) in paragraph (1), by striking ''or (7)'' and inserting '', (7), or (8)'', and

(B) by adding at the end the following:

''(8) ADJUSTMENT FOR EARLY ACCESS.—In applying this subsection with respect to individuals entitled to benefits under part D, the Secretary shall provide for an appropriate adjustment in the Medicare+Choice capitation rate as may be appropriate to reflect differences between the population served under such part and the population under parts A and B.''.

(c) OTHER CONFORMING AMENDMENTS.—

(1) Section 138(b)(4) of the Internal Revenue Code of 1986 is amended by striking ''1859(b)(3)'' and inserting ''1858(b)(3)''.

(2)(A) Section 602(2)(D)(ii) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)) is amended by inserting ''(not including an individual who is so entitled pursuant to enrollment under section 1859A)'' after ''Social Security Act''.

(B) Section 2202(2)(D)(ii) of the Public Health Service Act (42 U.S.C. 300bb–2(2)(D)(ii)) is amended by inserting ''(not including an individual who is so entitled pursuant to enrollment under section 1859A)'' after ''Social Security Act''.

(C) Section 4980B(f)(2)(B)(i)(V) of the Internal Revenue Code of 1986 is amended by inserting ''(not including an individual who is so entitled pursuant to enrollment under section 1859A)'' after ''Social Security Act''.

TITLE II—ACCESS TO MEDICARE BENEFITS FOR DISPLACED WORKERS 55-TO-62 YEARS OF AGE

SEC. 201. ACCESS TO MEDICARE BENEFITS FOR DISPLACED WORKERS 55-TO-62 YEARS OF AGE.

(a) ELIGIBILITY.—Section 1859 of the Social Security Act, as inserted by section 101(a)(2), is amended by adding at the end the following new subsection:

''(c) DISPLACED WORKERS AND SPOUSES.—

''(1) DISPLACED WORKERS.—Subject to paragraph (3), an individual who meets the following requirements with respect to a month is eligible to enroll under this part with respect to such month:

''(A) AGE.—As of the last day of the month, the individual has attained 55 years of age, but has not attained 62 years of age.

''(B) MEDICARE ELIGIBILITY (BUT FOR AGE).—The individual would be eligible for benefits under part A or B for the month if the individual were 65 years of age.

''(C) LOSS OF EMPLOYMENT-BASED COVERAGE.—

''(i) ELIGIBLE FOR UNEMPLOYMENT COMPENSATION.—The individual meets the requirements relating to period of covered employment and conditions of separation from employment to be eligible for unemployment compensation (as defined in section 85(b) of the Internal Revenue Code of 1986), based on a separation from employment occurring on or after January 1, 1999. The previous sentence shall not be construed as requiring the individual to be receiving such unemployment compensation.

''(ii) LOSS OF EMPLOYMENT-BASED COVERAGE.—Immediately before the time of such separation of employment, the individual was covered under a group health plan on the basis of such employment, and, because of such loss, is no longer eligible for coverage under such plan (including such eligibility based on the application of a Federal or State COBRA continuation provision) as of the last day of the month involved.

''(iii) PREVIOUS CREDITABLE COVERAGE FOR AT LEAST 1 YEAR.—As of the date on which the individual loses coverage described in clause (ii), the aggregate of the periods of creditable coverage (as determined under section 2701(c) of the Public Health Service Act) is 12 months or longer.

''(D) EXHAUSTION OF AVAILABLE COBRA CONTINUATION BENEFITS.—

''(i) IN GENERAL.—In the case of an individual described in clause (ii) for a month described in clause (iii)—

''(I) the individual (or spouse) elected coverage described in clause (ii); and

''(II) the individual (or spouse) has continued such coverage for all months described in clause (iii) in which the individual (or spouse) is eligible for such coverage.

''(ii) INDIVIDUALS TO WHOM COBRA CONTINUATION COVERAGE MADE AVAILABLE.—An individual described in this clause is an individual—

''(I) who was offered coverage under a Federal or State COBRA continuation provision at the time of loss of coverage eligibility described in subparagraph (C)(ii); or

''(II) whose spouse was offered such coverage in a manner that permitted coverage of the individual at such time.

''(iii) MONTHS OF POSSIBLE COBRA CONTINUATION COVERAGE.—A month described in this clause is a month for which an individual described in clause (ii) could have had coverage described in such clause as of the last day of the month if the individual (or the spouse of the individual, as the case may be) had elected such coverage on a timely basis.

''(E) NOT ELIGIBLE FOR COVERAGE UNDER FEDERAL HEALTH INSURANCE PROGRAM OR GROUP HEALTH PLANS.—The individual is not eligible for benefits or coverage under a Federal health insurance program or under a group health plan (whether on the basis of the individual's employment or employment of the individual's spouse) as of the last day of the month involved.

''(2) SPOUSE OF DISPLACED WORKER.—Subject to paragraph (3), an individual who meets the following requirements with respect to a month is eligible to enroll under this part with respect to such month:

''(A) AGE.—As of the last day of the month, the individual has not attained 62 years of age.

''(B) MARRIED TO DISPLACED WORKER.—The individual is the spouse of an individual at the time the individual enrolls under this part under paragraph (1) and loses coverage described in paragraph (1)(C)(ii) because the individual's spouse lost such coverage.

''(C) MEDICARE ELIGIBILITY (BUT FOR AGE); EXHAUSTION OF ANY COBRA CONTINUATION COVERAGE; AND NOT ELIGIBLE FOR COVERAGE UNDER FEDERAL HEALTH INSURANCE PROGRAM OR GROUP HEALTH PLAN.—The individual meets the requirements of subparagraphs (B), (D), and (E) of paragraph (1).

''(3) CHANGE IN HEALTH PLAN ELIGIBILITY AFFECTS CONTINUED ELIGIBILITY.—For provision that terminates enrollment under this section in the case of an individual who becomes eligible for coverage under a group health plan or under a Federal health insurance program, see section 1859A(d)(1)(C).

''(4) REENROLLMENT PERMITTED.—Nothing in this subsection shall be construed as preventing an individual who, after enrolling under this subsection, terminates such enrollment from subsequently reenrolling under this subsection if the individual is eligible to enroll under this subsection at that time.''.

(b) ENROLLMENT.—Section 1859A of such Act, as so inserted, is amended—

(1) in subsection (a), by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ''; and'', and by adding at the end the following new paragraph:

''(3) individuals whose coverage under this part would terminate because of subsection (d)(1)(B)(ii) are provided notice and an opportunity to continue enrollment in accordance with section 1859E(c)(1).'';

(2) in subsection (b), by inserting after Notwithstanding any other provision of law, (1) the following:

''(2) DISPLACED WORKERS AND SPOUSES.—In the case of individuals eligible to enroll under this part under section 1859(c), the following rules apply:

''(A) INITIAL ENROLLMENT PERIOD.—If the individual is first eligible to enroll under such section for July 2000, the enrollment period shall begin on May 1, 2000, and shall end on August 31, 2000. Any such enrollment before July 1, 2000, is conditioned upon compliance with the conditions of eligibility for July 2000.

''(B) SUBSEQUENT PERIODS.—If the individual is eligible to enroll under such section for a month after July 2000, the enrollment period based on such eligibility shall begin on the first day of the second month before the month in which the individual first is eligible to so enroll (or reenroll) and shall end 4 months later.'';

(3) in subsection (d)(1), by amending subparagraph (B) to read as follows:

''(B) TERMINATION BASED ON AGE.—

''(i) AT AGE 65.—Subject to clause (ii), the individual attains 65 years of age.

''(ii) AT AGE 62 FOR DISPLACED WORKERS AND SPOUSES.—In the case of an individual enrolled under this part pursuant to section 1859(c), subject to subsection (a)(1), the individual attains 62 years of age.'';

(4) in subsection (d)(1), by adding at the end the following new subparagraph:

''(C) OBTAINING ACCESS TO EMPLOYMENT-BASED COVERAGE OR FEDERAL HEALTH INSURANCE PROGRAM FOR INDIVIDUALS UNDER 62 YEARS OF AGE.—In the case of an individual who has not attained 62 years of age, the individual is covered (or eligible for coverage) as a participant or beneficiary under a group health plan or under a Federal health insurance program.'';

(5) in subsection (d)(2), by amending subparagraph (C) to read as follows:

''(C) AGE OR MEDICARE ELIGIBILITY.—

''(i) IN GENERAL.—The termination of a coverage period under paragraph (1)(A)(iii) or (1)(B)(i) shall take effect as of the first day of the month in which the individual attains 65 years of age or becomes entitled to benefits under part A or enrolled for benefits under part B.

''(ii) DISPLACED WORKERS.—The termination of a coverage period under paragraph (1)(B)(ii) shall take effect as of the first day of the month in which the individual attains 62 years of age, unless the individual has enrolled under this part pursuant to section 1859(b) and section 1859E(c)(1).''; and

(6) in subsection (d)(2), by adding at the end the following new subparagraph:

''(D) ACCESS TO COVERAGE.—The termination of a coverage period under paragraph (1)(C) shall take effect on the date on which the individual is eligible to begin a period of creditable coverage (as defined in section 2701(c) of the Public Health Service Act) under a group health plan or under a Federal health insurance program.''.

(c) PREMIUMS.—Section 1859B of such Act, as so inserted, is amended—

(1) in subsection (a)(1), by adding at the end the following:

''(B) BASE MONTHLY PREMIUM FOR INDIVIDUALS UNDER 62 YEARS OF AGE.—A base monthly premium for individuals under 62 years of age, equal to 1/12 of the base annual premium rate computed under subsection (d)(3) for each premium area and age cohort.''; and

(2) by adding at the end the following new subsection:

''(d) BASE MONTHLY PREMIUM FOR INDIVIDUALS UNDER 62 YEARS OF AGE.—

''(1) NATIONAL, PER CAPITA AVERAGE FOR AGE GROUPS.—

''(A) ESTIMATE OF AMOUNT.—The Secretary shall estimate the average, annual per capita amount that would be payable under this title with respect to individuals residing in the United States who meet the requirement of section 1859(c)(1)(A) within each of the age cohorts established under subparagraph (B) as if all such individuals within such cohort were eligible for (and enrolled) under this title during the entire year (and assuming that section 1862(b)(2)(A)(i) did not apply).

''(B) AGE COHORTS.—For purposes of subparagraph (A), the Secretary shall establish separate age cohorts in 5-year age increments for individuals who have not attained 60 years of age and a separate cohort for individuals who have attained 60 years of age.

''(2) GEOGRAPHIC ADJUSTMENT.—The Secretary shall adjust the amount determined under paragraph (1)(A) for each premium area (specified under subsection (a)(3)) in the same manner and to the same extent as the Secretary provides for adjustments under subsection (b)(2).

''(3) BASE ANNUAL PREMIUM.—The base annual premium under this subsection for months in a year for individuals in an age cohort under paragraph (1)(B) in a premium area is equal to 165 percent of the average, annual per capita amount estimated under paragraph (1) for the age cohort and year, adjusted for such area under paragraph (2).

''(4) PRO-RATION OF PREMIUMS TO REFLECT COVERAGE DURING A PART OF A MONTH.—If the Secretary provides for coverage of portions

of a month under section 1859A(c)(2), the Secretary shall pro-rate the premiums attributable to such coverage under this section to reflect the portion of the month so covered.''.

(d) ADMINISTRATIVE PROVISIONS.—Section 1859F of such Act, as so inserted, is amended by adding at the end the following:

''(d) ADDITIONAL ADMINISTRATIVE PROVISIONS.—

''(1) PROCESS FOR CONTINUED ENROLLMENT OF DISPLACED WORKERS WHO ATTAIN 62 YEARS OF AGE.—The Secretary shall provide a process for the continuation of enrollment of individuals whose enrollment under section 1859(c) would be terminated upon attaining 62 years of age. Under such process such individuals shall be provided appropriate and timely notice before the date of such termination and of the requirement to enroll under this part pursuant to section 1859(b) in order to continue entitlement to benefits under this title after attaining 62 years of age.

''(2) ARRANGEMENTS WITH STATES FOR DETERMINATIONS RELATING TO UNEMPLOYMENT COMPENSATION ELIGIBILITY.—The Secretary may provide for appropriate arrangements with States for the determination of whether individuals in the State meet or would meet the requirements of section 1859(c)(1)(C)(i).''.

(e) CONFORMING AMENDMENT TO HEADING TO PART.—The heading of part D of title XVIII of the Social Security Act, as so inserted, is amended by striking ''62'' and inserting ''55''.

TITLE III—COBRA PROTECTION FOR EARLY RETIREES

Subtitle A—Amendments to the Employee Retirement Income Security Act of 1974

SEC. 301. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 603 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163) is amended by inserting after paragraph (6) the following new paragraph:

''(7) The termination or substantial reduction in benefits (as defined in section 607(7)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 607 of such Act (29 U.S.C. 1167) is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(D) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in section 603(7), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(6) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in section 603(7), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(7) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, January 6, 1999), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of section 602(3).

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 602(2)(A) of such Act (29 U.S.C. 1162(2)(A)) is amended—

(1) in clause (ii), by inserting ''or 603(7)'' after ''603(6)'';

(2) in clause (iv), by striking ''or 603(6)'' and inserting '', 603(6), or 603(7)'';

(3) by redesignating clause (iv) as clause (vi);

(4) by redesignating clause (v) as clause (iv) and by moving such clause to immediately follow clause (iii); and

(5) by inserting after such clause (iv) the following new clause:

''(v) SPECIAL RULE FOR CERTAIN DEPENDENTS IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in section 603(7), in the case of a qualified beneficiary described in section 607(3)(D) who is not the qualified retiree or spouse of such retiree, the later of—

''(I) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(II) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 602(1) of such Act (29 U.S.C. 1162(1)) is amended—

(1) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(2) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of a qualifying event described in section 603(7), in applying the first sentence of subparagraph (A) and the fourth sentence of paragraph (3), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 602(3) of such Act (29 U.S.C. 1162(3)) is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in section 603(7), any reference in subparagraph (A) of this paragraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in paragraph (1)(B)'.''.

(e) NOTICE.—Section 606(a) of such Act (29 U.S.C. 1166) is amended—

(1) in paragraph (4)(A), by striking ''or (6)'' and inserting ''(6), or (7)''; and

(2) by adding at the end the following:

''The notice under paragraph (4) in the case of a qualifying event described in section 603(7) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after January 6, 1999. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

Subtitle B—Amendments to the Public Health Service Act

SEC. 311. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 2203 of the Public Health Service Act (42 U.S.C. 300bb–3) is amended by inserting after paragraph (5) the following new paragraph:

''(6) The termination or substantial reduction in benefits (as defined in section 2208(6)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 2208 of such Act (42 U.S.C. 300bb–8) is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(C) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in section 2203(6), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(5) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in section 2203(6), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(6) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary of Labor and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits

under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, January 6, 1999), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of section 2202(3).

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 2202(2)(A) of such Act (42 U.S.C. 300bb–2(2)(A)) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following new clause:

''(iii) SPECIAL RULE FOR CERTAIN DEPENDENTS IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in section 2203(6), in the case of a qualified beneficiary described in section 2208(3)(C) who is not the qualified retiree or spouse of such retiree, the later of—

''(I) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(II) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 2202(1) of such Act (42 U.S.C. 300bb–2(1)) is amended—

(1) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(2) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of a qualifying event described in section 2203(6), in applying the first sentence of subparagraph (A) and the fourth sentence of paragraph (3), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary of Labor) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 2202(3) of such Act (42 U.S.C. 300bb–2(3)) is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in section 2203(6), any reference in subparagraph (A) of this paragraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in paragraph (1)(B)'.''.

(e) NOTICE.—Section 2206(a) of such Act (42 U.S.C. 300bb–6(a)) is amended—

(1) in paragraph (4)(A), by striking ''or (4)'' and inserting ''(4), or (6)''; and

(2) by adding at the end the following:

''The notice under paragraph (4) in the case of a qualifying event described in section 2203(6) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after January 6, 1999. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

Subtitle C—Amendments to the Internal Revenue Code of 1986

SEC. 321. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 4980B(f)(3) of the Internal Revenue Code of 1986 is amended by inserting after subparagraph (F) the following new subparagraph:

''(G) The termination or substantial reduction in benefits (as defined in subsection (g)(6)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 4980B(g) of such Code is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(E) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in subsection (f)(3)(G), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(5) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in subsection (f)(3)(G), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(6) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary of Labor and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, January 6, 1999), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of subsection (f)(2)(C).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 4980B(f)(2)(B)(i) of such Code is amended—

(1) in subclause (II), by inserting ''or (3)(G)'' after ''(3)(F)'';

(2) in subclause (IV), by striking ''or (3)(F)'' and inserting '', (3)(F), or (3)(G)'';

(3) by redesignating subclause (IV) as subclause (VI);

(4) by redesignating subclause (V) as subclause (IV) and by moving such clause to immediately follow subclause (III); and

(5) by inserting after such subclause (IV) the following new subclause:

''(V) SPECIAL RULE FOR CERTAIN DEPENDENTS IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in paragraph (3)(G), in the case of a qualified beneficiary described in subsection (g)(1)(E) who is not the qualified retiree or spouse of such retiree, the later of—

''(a) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(b) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 4980B(f)(2)(A) of such Code is amended—

(1) by striking ''The coverage'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), the coverage''; and

(2) by adding at the end the following:

''(ii) CERTAIN RETIREES.—In the case of a qualifying event described in paragraph (3)(G), in applying the first sentence of clause (i) and the fourth sentence of subparagraph (C), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary of Labor) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 4980B(f)(2)(C) of such Code is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in paragraph (3)(G), any reference in clause (i) of this subparagraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in subparagraph (A)(ii)'.''.

(e) NOTICE.—Section 4980B(f)(6) of such Code is amended—

(1) in subparagraph (D)(i), by striking ''or (F)'' and inserting ''(F), or (G)''; and

(2) by adding at the end the following:

''The notice under subparagraph (D)(i) in the case of a qualifying event described in paragraph (3)(G) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after January 6, 1999. In the case of a

qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

SUMMARY OF BILL

TITLE I. ACCESS TO MEDICARE BENEFITS FOR INDIVIDUALS 62-TO-65 YEARS OF AGE

The centerpiece of this initiative is the Medicare buy-in for people ages 62 to 65.

Eligibility: Persons ages 62 to 65 who do not have access to employer sponsored or federal health insurance may participate.

Premium Payments: Participants would pay two separate premiums—one before age 65 and one between age 65 and 85.

Base premium: The base premium would be paid monthly between enrollment and when the participant turns age 65. It is the part of the full premium that represents what Medicare would pay on average for all people in this age group. The Congressional Budget Office (CBO) estimates that this would be about $300 per month. It would be adjusted for geographic variation, but the maximum premium would be limited to ensure participation in all areas of the country.

Deferred premium: The deferred premium would be paid monthly beginning at age 65 until the beneficiary turns age 85. It is the part of the premium that covers the extra costs for participants who are sicker than average. Participants will be told before they enroll what their deferred premium will be. CBO estimates that this would be about $10 per month per year of participation.

This two-part payment plan acts like a mortgage: it makes the up-front premium affordable but requires participants to pay back the Medicare ''loan'' with interest. It also ensures that in the long-run, this buy-in is self-financing.

Enrollment: Eligible persons can enroll within two months of either turning 62 or losing access to employer-based or federal insurance.

Applicability of Medicare Rules: Services covered and cost sharing would be, for paying participants, the same as those of Medicare beneficiaries. Participants would have the choice of fee-for-service or managed care. No Medicaid assistance would be offered to participants for premiums or cost sharing. Medigap policy protections would apply, but the open enrollment provision remains at age 65.

Disenrollment: Persons could stop buying into Medicare at any time. People who disenroll would pay the deferred premium as though they had been enrolled for a full year (e.g., a person who buys in for 3 months in 2000 would pay the deferred premium as though they participated for 12 months). This is intended to act as a disincentive for temporary enrollment.

TITLE II. ACCESS TO MEDICARE BENEFITS FOR DISPLACED WORKERS 55-TO-62 YEARS OF AGE

In addition to people ages 62 to 65, a targeted group of 55 to 61 year olds could buy into Medicare. The Medicare buy-in would be the same as above, with the following exceptions.

Eligibility: Persons would be eligible if they are between ages 55 and 61 and: (1) lost their job because their firm closed, downsized, or moved, or their position was eliminated (defined as being eligible for unemployment insurance) after January 1, 2000; (2) had health insurance through their previous job for at least one year (certified through the process created under HIPAA to guarantee continuation coverage); and (3) do not have access to employer sponsored, COBRA, or federal health insurance. Spouses of these eligible people may also buy into Medicare.

Premium Payments: Participants would pay one, geographically adjusted premium, with no Medicare ''loan''. This premium represents what Medicare would pay on average for all people in this age group plus an add-on (65 percent of the age average) to compensate for some of the extra costs of participants who may be sicker than average. These premiums would be about $400 per month.

Disenrollment: Like persons ages 62 to 65, eligible displaced workers and their spouses must enroll in the buy-in within 63 days of becoming eligible. Participants continue to pay premiums until they voluntarily disenroll, gain access to federal or employer-based insurance or turn 62 and become eligible for the more general Medicare buy-in. Once they disenroll, they may only re-enroll if they meet all the eligibility rules again.

TITLE III. RETIREE HEALTH BENEFITS PROTECTION ACT

The bill would also help retirees and their dependents whose former employer unexpectedly drops their retiree health insurance, leaving them uncovered and with few options.

Eligibility: Persons ages 55 to 65 and their dependents who were receiving retiree health coverage but whose coverage was terminated or substantially reduced (benefits' value reduced by half or premiums increased to a level above 125 percent of the applicable premium) would qualify for ''COBRA'' continuation coverage.

Premium Payments: Participants would pay 125 percent of the applicable premium. This premium is higher than what most other COBRA participants pay (102 percent) because it is expected that those who enroll will be sicker (have higher costs) than other members of their age cohort.

Enrollment: Participants would enroll through their former employer, following the same rules as other COBRA eligibles.

Disenrollment: Retirees would be eligible until they turn 65 years-old and could disenroll at any time.

Mr. KENNEDY. Mr. President, I commend Senator MOYNIHAN for his strong leadership on this issue. More than three million Americans aged 55 to 64 have no health insurance today. They are too young for Medicare, and unable to obtain private coverage they can afford. Often, they are victims of corporate downsizing, or of a company's decision to cancel their health insurance.

In the past year, the number of the uninsured in this age group increased at a faster rate than other age groups. These Americans have been left out and left behind through no fault of their own—often after decades of hard work and reliable insurance coverage—and it is time for Congress to provide a helping hand.

Many of these fellow citizens have serious health problems that threaten to destroy the savings of a lifetime and that prevent them from finding or keeping a job. Even those without current health problems know that a single serious illness could wipe out their savings.

These uninsured Americans tend to be in poorer health than other members of their age group. Their health continues to deteriorate, the longer they remain uninsured. This unnecessary burden of illness is a preventable human tragedy—and it adds to Medicare's long-term costs, because when these individuals turn 65, they enter the program with more costly health problems and greater unmet needs for health care services.

Even those with good coverage today can't be certain that it will be there tomorrow. No one nearing retirement can be confident that the health insurance they have now will protect them until they qualify for Medicare at 65.

Our legislation provides three kinds of assistance. First, any uninsured American who is 62 years old or older and not yet eligible for Medicare can buy into the program. Participants will pay the full cost of their coverage, but to help keep premiums affordable, they can defer payment of part of the premiums until they turn 65 and Medicare starts to pay most of their health care costs. Once they turn 65, this defrayed premium will be paid back over time at a modest monthly charge, currently estimated at about $10 per month for each year of participation in the buy-in program. Individuals age 55–61 who lose their health insurance because they are laid off or because their company closes will also be able to buy into Medicare. Finally, people who have retired before 65 with the expectation of employer-paid health insurance coverage would be allowed to buy into the company's program for active workers if the company dropped retirement coverage.

Today's proposal is a lifeline for all of these Americans. It is also a constructive step toward the day when every American will be guaranteed the fundamental right to health care.

In the past, opponents have waged a campaign of disinformation that this sensible plan is somehow a threat to Medicare. They are wrong—and the American people understand that they are wrong. Under our proposal, the participants themselves will ultimately pay the full cost of this new coverage. The modest short-term budget impact can be financed through savings obtained by reducing fraud or abuse in Medicare.

Every American should have the security and peace of mind of knowing that their critical years in the workforce will not be haunted by the fear of devastating medical costs or the inability to meet basic medical needs. Uninsured Americans who are too

young for Medicare but too old to purchase affordable private insurance coverage deserve our help—and we intend to see that they get it.

By Mr. MOYNIHAN:

S. 203. A bill to amend title XIX of the Social Security Act to provide for an equitable determination of the Federal medical assistance percentage; to the Committee on Finance.

EQUITABLE FEDERAL MEDICAID ASSISTANCE PERCENTAGE ACT OF 1999

Mr. MOYNIHAN. Mr. President, I introduce today a bill to revise the formula for determining the Federal Medical Assistance Percentage. Medicaid services and associated administrative costs are financed jointly by the Federal government and the States. The formula for the Federal share of a State's payments for services, known as the Federal Medical Assistance Percentage (FMAP), was established when Medicaid was created as part of the Social Security Amendments of 1965.

The FMAP is a somewhat exotic creature, derived from the Hill-Burton Hospital Survey and Construction Act of 1946, specifically designed to provide a higher Federal matching rate for states with lower state funds, as measured by per capital income. A Senate colleague once described it to me as the South's revenge for the Civil War.

The Federal government's share depends upon the square of the ratio of state per capita income to national per capita income. Per capita income is a proxy but not the only proxy for measuring the States' relative fiscal capacity and its population's need for assistance. In March 1982, the Advisory Commission on Intergovernmental Relations stated that,

> * * * the use of a single index, resident per capita income, to measure fiscal capacity, seriously misrepresents the actual ability of many governments to raise revenue. Because states tax a wide range of economic activities other than the income of their residents, the per capita income measure fails to account for sources of revenue to which income is only related in part. This misrepresentation results in the systematic over and understatement of the ability of many states to raise revenue. In addition, the recent evidence suggests that per capital income has deteriorated as a measure of capacity * * *

Squaring the ration of state per capita income to national per capita income exaggerates the differences between States with regard to this inadequate proxy for both state wealth and of population in need of assistance. At a commencement address in 1977 at Kingsborough Community College in Brooklyn, New York, I proposed a change to the Hill-Burton formula by suggesting that the ''square'' in the formula be changed to the ''square root.'' The idea has not caught on.

However, I remain hopeful. The Balanced Budget Act of 1997 included a provision that increased the FMAP rate for Alaska. My colleagues in the Committee on Finance included this provision as an amendment in Committee Mark-up. The provision increased Alaska's FMAP rate from 50 percent to 59.8 percent to reflect the higher cost of living relative to the national average. For states with a higher cost of living, the per capita income proxy systematically underestimates the state's population in need and overstates its relative capacity to raise revenues. As conferees, we posited:

> The current methodology for calculating match rates, per capita income, is a poor and inadequate measure of the states' needs and abilities to participate in the Medicaid program. The conferees note that the poverty guidelines for Alaska and Hawaii, for example, are different than those for the rest of the nation but there is no variation from the national calculation in the FMAP. The increase in Alaska's FMAP demonstrates there is a recognition that a more accurate measurement is needed in the program.

The General Accounting Office (GAO) has studied the formula inequity for the past several years. In testimony before the Committee on Finance in 1995, GAO concluded:

> The current formula has not moderated disparities across states with respect to the populations and benefits Medicaid covers and the relative financial burden states bear in funding their programs. Our work over the years shows that the use of per capita income to reflect a state's wealth sometimes overstates or understates the size of a state's poverty population and its financial resources.

The legislation that I introduce today—The Equitable Federal Medical Assistance Percentage Act of 1999—would provide a more accurate and equitable formula by using more precise measures of a state's relative capacity to raise revenue—or its wealth—and its share of the population in need. The original concept is preserved: The goal of the matching formula is to offset the imbalance between state resources and the number of people in need in the state. I call this the state fiscal imbalance. A state with a larger share of resources compared to its share of need is in a stronger fiscal position than a state with higher needs and fewer resources. The formula would measure the imbalance relative to its share of the national average: the state's fiscal imbalance is its share of the nation's resources compared to its share of the nation's population in need.

State Share of Financing Resources. Per capita income only reflects a portion of a state's potential revenue. Perhaps in the 1950's and 1960's, per capita income was the best available indicator of state's wealth. Currently, the Treasury Department estimates each state's total taxable resources or TTR. In 1994, TTR replaced per capita income in the formula for distributing funds under the Alcohol, Drug Abuse and Mental Health Services block grant. This proposed formula compares the state's TTR to sum of all states' TTRs. Funding capacity would be adjusted to account for the difference in regional health care costs. This provides a more accurate reflection of a state's ability to purchase comparable services with similar tax efforts. The health care price index is based on the Medicare hospital payment adjuster that accounts for geographic wage differences and on a proxy for office space costs.

The Population-in-Need. The number of persons in need of public assistance would be measured by the state's population living below the poverty level. Per capita income—or the average mean income—is a particularly poor measure of poverty. An average income measure skews a state's situation if a state has extreme differences in income levels among its residents, such as a state with a high portion of residents with high-incomes and a high portion of residents with low-incomes. Despite similar per capita incomes, New York has a poverty rate that is nearly 50 percent greater than in Massachusetts, according to GAO.

The EFMAP would also use adjusted poverty levels to reflect regional variation in cost of living. Without a cost of living adjustment, the national poverty level underestimates what constitutes poverty in New York, with a cost of living 13 percent above the national average. In addition, the state's adjusted poverty count would be weighted to account for higher cost populations. For example, health care costs for the elderly can be about two and a half to three and a half times that for adults and six to eight times the cost for children.

Currently, New York's FMAP is 50 percent. This proposed formula with more accurate and equitable measures of wealth and need would provide New York with a 70 percent matching rate. In State Fiscal Year 1998–1999, this would yield $6.5 billion in additional federal Medicaid funds for New York. In fact, several other states and the District of Columbia would receive a greater matching rate under this bill.

In a response to a request from both then-Senator D'Amato and me in 1997, GAO determined that had New York had a similar equitable formula, the state would have received between $3.4 billion and $6.5 billion in additional federal assistance during the period of 1989 through 1996. These additional federal funds would by no means eliminate the existing $18 billion deficit in the balance of payments that New York annually has each year. However, it would be a start, and an important first step toward correcting a longstanding inequity in the Federal government's balance of payments with the states.

I ask unanimous consent that the summary of the bill and the full text of the bill be included in the RECORD.

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

S. 203

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 ''Equitable Federal Medical Assistance Percentage Act of 1999''.

SEC. 2. EQUITABLE DETERMINATION OF FEDERAL MEDICAL ASSISTANCE PERCENTAGE.

(a) IN GENERAL.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following:

''(v) DETERMINATION OF EQUITABLE FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—

''(1) IN GENERAL.—Except as provided in paragraph (4), the equitable Federal medical assistance percentage determined under this subsection is, for any State for a fiscal year, 100 percent reduced by the product of 0.45 and the ratio of—

''(A) the State's share of cost-adjusted total taxable resources determined under paragraph (2); to

''(B) the State's share of program need determined under paragraph (3).

''(2) DETERMINATION OF STATE'S SHARE OF COST-ADJUSTED TOTAL TAXABLE RESOURCES.—

''(A) IN GENERAL.—For purposes of paragraph (1)(A), with respect to a State, the State's share of cost-adjusted total taxable resources is the ratio of—

''(i)(I) an amount equal to the most recent 3-year average of the total taxable resources (TTR) of the State, as determined by the Secretary of the Treasury; divided by

''(II) the most recent 3-year average of the State's geographic health care cost index (as determined under subparagraph (B)); to

''(ii) an amount equal to the sum of the amounts determined under clause (i) for all States.

''(B) STATE'S GEOGRAPHIC HEALTH CARE COST INDEX.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i)(II), the geographic health care cost index for a State for a fiscal year is the sum of—

''(I) 0.10;

''(II) 0.75 multiplied by the ratio of—

''(aa) the most recent 3-year average annual wages for hospital employees in the State or the District of Columbia (as determined under clause (ii)); to

''(bb) the most recent 3-year average annual wages for hospital employees in the 50 States and the District of Columbia (as determined under that clause); and

''(III) 0.15 multiplied by the State's fair market rent index (as determined under clause (iii)).

''(ii) DETERMINATION OF AVERAGE ANNUAL WAGES OF HOSPITAL EMPLOYEES.—The Secretary shall provide for the determination of the most recent 3-year average annual wages for hospital employees in a State or the District of Columbia and, collectively, in the 50 States and the District of Columbia, based on the area wage data applicable to hospitals under section 1886(d)(3)(E) (or, if such data no longer exists, comparable data of hospital wages) for discharges occurring during the fiscal years involved.

''(iii) DETERMINATION OF FAIR MARKET RENT INDEX.—For purposes of clause (i)(III), a State's fair market rent index is the ratio of—

''(I) the average annual fair market rent for 2-bedroom housing units in the State or the District of Columbia, to be determined by the Secretary of Housing and Urban Development for the most recent 3 fiscal years for which data are available; to

''(II) the average annual fair market rent for such housing units for all States for such 3 fiscal years, as so determined.

''(3) DETERMINATION OF STATE'S SHARE OF PROGRAM NEED.—

''(A) IN GENERAL.—For purposes of paragraph (1)(B), with respect to a State, the State's share of program need is the ratio of—

''(i) the State's program need determined under subparagraph (B); to

''(ii) the sum of the amounts determined under clause (i) for all States.

''(B) DETERMINATION OF STATE PROGRAM NEED.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i), a State's program need is equal to the average (determined for the most recent 5 fiscal years for which data are available) of the sum of the products determined under clause (iv) for each such fiscal year (based on the number of State residents whose income is below the State's cost-of-living adjusted poverty income level (as determined under clauses (ii) and (iii)).

''(ii) DETERMINATION OF NUMBER OF STATE RESIDENTS WITH INCOMES BELOWTHE STATE'S COST-OF-LIVING ADJUSTED POVERTY LEVEL.—

''(I) IN GENERAL.—For purposes of clause (iv), with respect to each State and the District of Columbia, the number of residents whose income for a fiscal year is below the State's cost-of-living adjusted poverty income level applicable to a family of the size involved (as determined under clause (iii)) shall be determined.

''(II) CENSUS DATA.—The determination of the number of residents under subclause (I) shall be based on data made generally available by the Bureau of the Census from the Current Population Survey.

''(iii) DETERMINATION OF STATE'S COST-OF-LIVING ADJUSTED POVERTY INCOME LEVEL.—

''(I) IN GENERAL.—For purposes of clause (ii)(I), a State's cost-of-living adjusted poverty income level is the product of—

''(aa) the United States poverty income threshold for the fiscal year involved (as defined by the Office of Management and Budget for general statistical purposes); and

''(bb) the State's cost-of-living index (as determined under subclause (II)).

''(II) DETERMINATION OF STATE'S COST-OF-LIVING INDEX.—Subject to subclause (III), a State's cost-of-living index is the sum of—

''(aa) 0.56; and

''(bb) the product of 0.44 and the State's fair market rent index determined under paragraph (2)(B)(iii).

''(III) ALTERNATE METHODOLOGY.—The Commissioner of Labor Statistics may use an alternate methodology to the formula set forth under subclause (II) to determine a State's cost-of-living index for purposes of subclause (I)(bb) if the Commissioner determines that the alternate methodology results in a more accurate determination of that index.

''(iv) WEIGHTING OF AGE CATEGORIES OF RESIDENTS IN POVERTY TO ACCOUNT FOR HIGHER COST POPULATIONS.—For purposes of clause (i), the products determined under this clause for a fiscal year are the following:

''(I) WEIGHTING OF ELDERLY RESIDENTS IN POVERTY.—The number of residents determined under clause (ii) of the State or the District of Columbia for the fiscal year who have attained age 65 multiplied by 3.65.

''(II) WEIGHTING OF ADULT RESIDENTS IN POVERTY.—The number of residents determined under clause (ii) of the State or the District of Columbia for the fiscal year who have attained age 21 but have not attained age 65 multiplied by 1.0.

''(III) WEIGHTING OF CHILDREN IN POVERTY.—The number of residents determined under clause (ii) of the State or the District of Columbia for the fiscal year who have not attained age 21 multiplied by 0.5.

''(4) SPECIAL RULES.—For purposes of this subsection and subsection (b), the equitable Federal medical assistance percentage is—

''(A) in the case of the District of Columbia, the percentage determined under this subsection for the District of Columbia (without regard to this paragraph) multiplied by 1.4.; and

''(B) in the case of Alaska, 59.8 percent.''.

(b) CONFORMING AMENDMENTS.—Section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended—

(1) in the matter preceding paragraph (1), by striking ''100 per centum'' and all that follows through ''Hawaii'' and inserting ''the equitable Federal medical assistance percentage determined under subsection (v)'';

(2) in paragraph (1), by striking ''50 per centum or more than 83 per centum,,'' and inserting ''50 percent or more than 83 percent, and''; and

(3) in paragraph (2), by striking ''50 per centum'' and all that follows through the period at the end of paragraph (3) and inserting ''50 percent.''.

(c) EFFECTIVE DATE.—The amendments made by this Act take effect on October 1, 1999.

SUMMARY OF EQUITABLE FEDERAL MEDICAL ASSISTANCE PERCENTAGE

Purpose: This legislation would replace an outdated formula for determining the federal match rate for Medicaid expenditures. The Federal Medical Assistance Percentage (FMAP) formula was intended to account for each state's financial burdens by measuring its relative wealth—or ability to pay costs—and its population in need for assistance—or its extent of poverty. However, the current formula uses a rather crude proxy for these measurements—the per capita income in the state.

Current Formula: The Federal match rate (FMAP) for each state is determined as follows:

FMA=1 − 0.45 (state's per capita income/national per capita income)[2]

Per capita income measures both the state's financing capacity and population in need.

Proposed Legislation: The new formula is based on several years of analysis by the GAO:

$$\text{EFMAP}=1-0.45\ \frac{\text{State Share of Resources}}{\text{State Share of Program Need}}$$

A State's Share of resources would be measured by the state's Total Taxable Revenue (TTR)—the total amount of revenue raised in the state—compared to the sum of all states' TTR. This state TTR amount is adjusted for geographic differences in health care prices, or a state health care index. The health care index adjustment accounts for the state's ability to purchase comparable services with similar tax efforts.

State Program Need would be measured by the number of residents with incomes below the poverty level compared to the sum of all poor in the nation. To determine the number of residents living below poverty, the Federal Poverty Level would be adjusted for each state to account for geographic cost of living differences. The adjusted poverty

count would also be weighted to account for higher cost populations, such as the elderly.

The proposal would apply the current 50 percent floor and 83 percent ceiling to EFMAP rates for states. The EFMAP would be the federal matching rate for all program's that currently use the FMAP, such as the Children's Health Insurance Program (CHIP) and foster care, as well as Medicaid.

Alaska would keep its current FMAP of 59.8 percent. The District of Columbia would have an adjusted EFMAP rate of reflect its locality status, as under current law.

By Mr. MOYNIHAN (for himself, Mr. JEFFORDS, and Mr. LIEBERMAN:)

S. 204. A bill to amend chapter 5 of title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas; to the Committee on Governmental Affairs.

POVERTY DATA CORRECTION ACT OF 1999

Mr. MOYNIHAN. Mr. Presidents, I rise today to introduce the Poverty Data Correction Act of 1999, a bill to require that any data relating to the incidence of poverty in subnational areas be corrected for the differences in the cost of living in those areas. This legislation would correct a longstanding inequity and would provide us with more accurate information on the number of Americans living in poverty.

Residents of states such as New York and Connecticut earn more, on average, than do residents of Mississippi or Alabama. But they also must spend more. One need only try to rent an apartment in New York City to understand this. Yet, we have a national poverty threshold adjusted only by family size and composition, not by where the family lives. A family of four just above the poverty threshold in New York City or Anchorage is demonstrably worse off than a family of four just below the threshold in, say, rural Arkansas. And yet that family in New York might be ineligible for federal aid and will not count in the tallies of the poverty population used to allocate funds among the states, while the Arkansas family will be eligible and will be counted.

Professor Herman B. ''Dutch'' Leonard and Senior Research Associate Monica Friar of the Taubman Center for State and local government at Harvard have devised an index of poverty statistics that reflects the differences in the cost of living between States. If we look at the ''Friar-Leonard State Cost-of-Living index,'' as it has come to be known, we find that, in Fiscal Year 1997, New York had a poverty rate of 20.5% third highest in the nation. yet the official poverty level for 1997 is 16.6%. These adjusted statistics still reflect poverty accurately: the poor states of Mississippi and New Mexico remain ranked higher than New York in this ranking of misfortune.

Mr. President, our current poverty data are inaccurate. And these substandard data are used in allocation formulas used to distribute millions of Federal dollars each year. As a result, states with high costs of living—New York, Connecticut, Vermont, Hawaii, California, just to name a few—are not getting their fair share of Federal dollars because differences in the cost of living are ignored. And the poor of these high cost states are penalized because they happen to live there. It is time to correct this inequity.

I ask unanimous consent that a summary of the legislation and its full text be included in the RECORD.

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

S. 204

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 ''Poverty Data Correction Act of 1999''.

SEC. 2. REQUIREMENT.

(a) IN GENERAL.—Chapter 5 of title 13, United States Code, is amended by adding after subchapter V the following:

''SUBCHAPTER VI—POVERTY DATA

''§ 197. Correction of subnational data relating to poverty

''(a) Any data relating to the incidence of poverty produced or published by or for the Secretary for subnational areas shall be corrected for differences in the cost of living, and data produced for State and sub-State areas shall be corrected for differences in the cost of living for at least all States of the United States.

''(b) Data under this section shall be published in 1999 and at least every second year thereafter.

''§ 198. Development of State cost-of-living index and State poverty thresholds

''(a) To correct any data relating to the incidence of poverty for differences in the cost of living, the Secretary shall—

''(1) develop or cause to be developed a State cost-of-living index which ranks and assigns an index value to each State using data on wage, housing, and other costs relevant to the cost of living; and

''(2) multiply the Federal Government's statistical poverty thresholds by the index value for each State's cost of living to produce State poverty thresholds for each State.

''(b) The State cost-of-living index and resulting State poverty thresholds shall be published before September 30, 2000, for calendar year 1999 and shall be updated annually for each subsequent calendar year.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 13, United States Code, is amended by adding at the end the following:

''SUBCHAPTER VI—POVERTY DATA

''197. Correction of subnational data relating to poverty.

''198. Development of State cost-of-living index and State poverty thresholds.''.

POVERTY DATA CORRECTION ACT OF 1999—BRIEF DESCRIPTION OF PROVISIONS

I. REQUIRES ADJUSTMENT OF POVERTY DATA FOR DIFFERENCES IN COST OF LIVING

The bill would require that any data relating to poverty on a subnational basis (including state-by-state data) be corrected for the differences in the cost of living by state or sub-state areas. The costs of basic needs, such as housing, vary substantially from state-to-state and assessments of poverty in the United States should take this into account.

II. REQUIRES DEVELOPMENT OF STATE COST-OF-LIVING INDEX AND POVERTY THRESHOLDS

To enable the adjustments required above, the bill requires the development of a state-specific cost-of-living index based upon wage, housing, and other cost information relevant to the cost of living. The bill also requires that the Federal government's poverty thresholds be multiplied by this index to produce state-specific poverty thresholds. These thresholds, which vary by family size, are the ''poverty line'' used to determine the number of individuals and families in poverty.

By Mr. MOYNIHAN (for himself and Mr. KERREY):

S. 205. A bill to establish a Federal Commission on Statistical Policy to study the reorganization of the Federal statistical system, to provide uniform safeguards for the confidentiality of information acquired from exclusively statistical purposes, and to improve the efficiency of Federal statistical programs and the quality of Federal statistics by permitting limited sharing of records among designated agencies for statistical purposes under strong safeguards; to the Committee on Governmental Affairs.

FEDERAL COMMISSION ON STATISTICAL POLICY ACT OF 1999

Mr. MOYNIHAN. Mr. President, I join my distinguished colleague, Senator BOB KERREY of Nebraska, in introducing legislation to establish a Federal Commission on Statistical Policy. Congressman STEPHEN HORN of California and Congresswoman CAROLYN MALONEY of New York plan to introduce similar legislation in the House of Representatives.

This legislation is similar to S. 1404, The Federal Statistical System Act of 1997, a bill which was favorably reported out of the Senate Committee on Governmental Affairs October 6 of last year by a 9 to 0 vote.

This Senator first introduced legislation to study the Federal statistical system on September 25, 1996, for the 104th Congress, and again on January 21, 1997, for the 105th Congress. Over the past few years, I have testified before the Senate Subcommittee on Oversight of Government Management and the House Subcommittee on Government Management, Information and Technology to explain this legislation. This bill represents more than 2 years of work and much bipartisan cooperation.

The Federal Commission on Statistical Policy would consist of 16 Presidential and congressional appointees with expertise in fields such as actuarial science, finance, and economics. Its members would conduct a thorough review of the U.S. statistical system,

and issue a report that would include recommendations on whether statistical agencies should be consolidated into a centralized Federal Statistical Service.

Of course, we have an example of a consolidated statistical agency just across our northern border. Statistics Canada, the most centralized statistical agency among OECD countries, was established in November 1918 as a reaction to a familiar problem. At that time, the Canadian Minister of Industry was trying to obtain an estimate of the manpower resources that Canada could commit to the war effort. And he got widely different estimates from statistical agencies scattered throughout the government. Consolidation seemed the way to solve this problem, and so it happened—as it can in a parliamentary government—rather quickly, just as World War I ended.

In April of 1997, a member of my staff met in Ottawa with the Assistant Chief Statistician of Statistics Canada. He reported that Statistics Canada is doing quite well. Decisions about the allocation of resources among statistical functions are made at the highest levels of government because the Chief Statistician of Statistics Canada holds a position equivalent to Deputy Cabinet Minister. He communicates directly with Deputy Ministers in other Cabinet Departments. In contrast, in the United States, statistical agencies are buried several levels below the Cabinet Secretaries, so it is difficult for the heads of these statistical agencies to bring issues to the attention of high-ranking administration officials and Congress.

Statistics are part of our constitutional arrangement, which provides for a decennial census that, among other purposes, is the basis for apportionment of membership in the House of Representatives. I quote from article I, section I:

> . . . enumeration shall be made within three Years after the first meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall be Law direct.

But, while the Constitution directed that, there be a census, there was, initially, no Census Bureau. The earliest censuses were conducted by U.S. marshals. Later on, statistical bureaus in state governments collected the data, with a Superintendent of the Census overseeing from Washington. It was not until 1902 that a permanent Bureau of the Census was created by the Congress, housed initially in the Interior Department. In 1903 the Bureau was transferred to the newly established Department of Commerce and Labor.

The Statistics of Income Division of the Internal Revenue Service, which was originally an independent body, began collecting data in 1866. It too was transferred to the new Department of Commerce and Labor in 1903, but then was put in the Treasury Department in 1913 following ratification of the 16th amendment, which gave Congress the power to impose an income tax.

A Bureau of Labor, created in 1884, was also initially in the Interior Department. The first Commissioner, appointed in 1885, was Colonel Carroll D. Wright, a distinguished Civil War veteran of the New Hampshire Volunteers. A self-trained social scientist, Colonel Wright pioneered techniques for collecting and analyzing survey data on income, prices and wages. He had previously served as Chief of the Massachusetts Bureau of Statistics, a post he held for 15 years, and in that capacity had supervised the 1880 Federal census in Massachusetts.

In 1888, the Bureau of Labor became an independent agency. In 1903, it was once again made a Bureau, joining other statistical agencies in the Department of Commerce and Labor. When a new Department of Labor was formed in 1913, given labor an independent voice—as labor was ''removed'' from the Department of Commerce and Labor—what we now know as the Bureau of Labor Statistics was transferred to the newly created Department of Labor.

And so it went. Statistical agencies sprung up as needed. And they moved back and forth as new executive departments were formed. Today, some 89 different organizations in the Federal government comprise parts of our national statistical infrastructure. Eleven of these organizations have as their primary function the generation of data. These 11 organizations are:

Agency	Department	Date established
National Agricultural Statistical Service	Agriculture	1863
Statistics of Income Division, IRS	Treasury	1866
Economic Research Service	Agriculture	1867
National Center for Education Statistics	Education	1867
Bureau of Labor Statistics	Labor	1884
Bureau of the Census	Commerce	1902
Bureau of Economic Analysis	Commerce	1912
National Center for Health Statistics	Health and Human Services.	1912
Bureau of Justice Statistics	Justice	1968
Energy Information Administration	Energy	1974
Bureau of Transportation Statistics	Transportation	1991

NEED FOR LEGISLATION

President Kennedy once said:

> Democracy is a difficult kind of government. It requires the highest qualities of self-discipline, restraints, a willingness to make commitments and sacrifices for the general interest, and also it requires knowledge.

That knowledge often comes from accurate statistics. You cannot begin to solve a problem until you can measure it.

This legislation would require the Commission to conduct a comprehensive examination of the current statistical system and focus particularly on whether to create a centralized Federal Statistical Service.

In September 1996, prior to introduction of my first bill to establish a Commission to study the U.S. statistical system, I received a letter from nine former Chairmen of the Council of Economic Advisers (CEA) endorsing this legislation. Excluding two recent chairs, who at that time were still serving in the Clinton Administration, the signatories include virtually every living former chair of the CEA. While acknowledging that the United States ''possesses a first-class statistical system,'' these former Chairmen remind us that ''problems periodically arise under the current system of widely scattered responsibilities.'' They conclude as follows:

> Without at all prejudging the appropriate measures to deal with these difficult problems, we believe that a thoroughgoing review by a highly qualified and bipartisan Commission as provided in your Bill has great promise of showing the way to major improvements.

The letter is signed by: Michael J. Boskin, Martin Feldstein, Alan Greenspan, Paul W. McCracken, Raymond J. Saulnier, Charles L. Schultze, Beryl W. Sprinkel, Herbert Stein, and Murray Weidenbaum.

It happens that this Senator's association with the statistical system in the Executive Branch began over three decades ago. I was Assistant Secretary of Labor for Policy and Planning in the administration of President John F. Kennedy. This was a new position in which I was nominally responsible for the Bureau of Labor Statistics. I say nominally out of respect for the independence of that venerable institution, which as I noted earlier long predated the Department of Labor itself. The then-Commissioner of the BLS, Ewan Clague, could not have been more friendly and supportive. And so were the statisticians, who undertook to teach me to the extent I was teachable. They even shared professional confidences. And so it was that I came to have some familiarity with the field.

For example, we had just received a report on price indexes from a committee led by a Nobel laureate, George Stigler. The Committee stressed the importance of accurate and timely statistics noting that:

> The periodic revision of price indexes, and the almost continuous alterations in details of their calculation, are essential if the indexes are to serve their primary function of measuring the average movements of prices.

While the Final Report of the Advisory Commission: To Study The Consumer Price Index. (The Boskin Commission) focused primarily on the extent to which changes in the CPI overstate inflation, the Commission also addressed issues related to the effectiveness of Federal statistical programs and recommended that:

> Congress should enact the legislation necessary for the Departments of Commerce and Labor to share information in the interest of improving accuracy and timeliness of economic statistics and to reduce the resources consumed in their development and production.

There is, of course, a long history of attempts to reform our nation's statistical infrastructure. In her invaluable book Organizing to Count, Janet L. Norwood, former Commissioner of the BLS, has described efforts to bring some order to the national statistical system, going back to a Commission appointed by the Secretary of the Treasury in 1903 and following through to a 1990 Working Group of the Cabinet Council for Economic Policy, chaired by Michael Boskin. One such effort occurred in July of 1933 when, by Executive Order, President Roosevelt set up a Central Statistical Board—organized by the Secretary of Labor, Frances Perkins, and the sometime Commissioner of the Bureau of Labor Statistics, Isador Lubin. I say sometime because although Lubin headed the Bureau from 1933–1946, much of his time was spent ''on leave'' serving in various White House statistical assignments, including as a special statistical assistant to the President. In their fine history of the agency, The First Hundred Years of the Bureau of Labor Statistics, Joseph P. Goldberg and William T. Moye write that the Board was then established by Congress ''in 1935 for a 5-year period to ensure consistency, avoid duplication, and promote economy in the work of government statistics.''

But in most cases little or no action has been taken on their recommendations. The result of this inaction has been an ever expanding statistical system. It continues to grow in order to meet new data needs, but with little or no regard for the overall objectives of the system. As Norwood notes in her book:

> The U.S. system has neither the advantages that come from centralization nor the efficiency that comes from strong coordination in decentralization. As presently organized, therefore, the country's statistical system will be hard pressed to meet the demands of a technologically advanced, increasingly internationalized world in which the demand for objective data of high quality is steadily rising.

In this era of government downsizing and budget cutting, it is unlikely that Congress will appropriate more funds for statistical agencies. It is clear that to preserve and improve the statistical system we must consider reforming it, yet we must not attempt to reform the system until we have heard from experts in the field.

The legislation establishes a Federal Commission on Statistical Policy for a three-year term. The Commission would consist of 16 members: eight of whom to be chosen by the President; four of whom by the Speaker of the House of Representatives in consultation with the Majority and Majority Leader; and four of whom by the President pro tempore of the Senate in consultation with the Majority and Minority Leader.

In an initial 18-month period, the Commission would determine whether to consolidate the Federal statistical system, and would also make recommendations with respect to ways to achieve greater efficiency in carrying out Federal statistical programs. If the Commission recommends creation of a newly established independent Federal statistical agency, designated as the Federal Statistical Service, the Commission's report would contain draft legislation incorporating such recommendations.

Over the full term of the Commission, it would also conduct comprehensive studies and submit reports to Congress that:

Evaluate the mission of various statistical agencies and the relevance of such missions to current and future needs;

Evaluate key statistics and measures and make recommendations on ways to improve such statistics better serve the intended major purposes;

Review information technology and make recommendations of appropriate methods for disseminating statistical data; and

Compare our statistical system with the systems of other nations.

This legislation is only a first step, but an essential one. The Commission will provide Congress with the blueprint for reform. It will be up to us to finally take action after nearly a century of inattention to this very important issue.

I ask unanimous consent the full text of the letter from nine former Chairmen of the Council of Economic Adviser, a summary of the bill, and the full text of the bill be included in the RECORD.

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

S. 205

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 ''Federal Commission on Statistical Policy Act of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Sense of the Congress.

TITLE I—FEDERAL COMMISSION ON STATISTICAL POLICY

Sec. 101. Establishment.
Sec. 102. Duties of Commission.
Sec. 103. Powers.
Sec. 104. Commission procedures.
Sec. 105. Personnel matters.
Sec. 106. Other administrative provisions.
Sec. 107. Termination.
Sec. 108. Fast-track procedures for statistical reorganization bill.

TITLE II—EFFICIENCY AND CONFIDENTIALITY OF FEDERAL STATISTICAL SYSTEMS

Sec. 201. Short title.
Sec. 202. Findings and purposes.
Sec. 203. Definitions.
Sec. 204. Statistical Data Centers.
Sec. 205. Statistical Data Center responsibilities.
Sec. 206. Confidentiality of information.
Sec. 207. Coordination and oversight.
Sec. 208. Implementing regulations.
Sec. 209. Conforming amendments and proposed changes in law.
Sec. 210. Effect on other laws.

SEC. 2. FINDINGS.

The Congress, recognizing the importance of statistical information in the development of national priorities and policies and in the administration of public programs, finds the following:

(1) While the demand for statistical information has grown substantially during the last 30 years, the difficulty of coordinating planning within the decentralized Federal statistical system has limited the usefulness of statistics in defining problems and determining national policies to deal with complex social and economic issues.

(2) Coordination and planning among the statistical programs of the Government are necessary to strengthen and improve the quality and utility of Federal statistics and to reduce duplication and waste in information collected for statistical purposes.

(3) High-quality Federal statistical products and programs are essential for sound business and public policy decisions.

(4) The challenge of providing high-quality statistics has increased because our economy and society are more complex, new technologies are available, and decisionmakers need more complete and accurate data.

(5) Maintaining quality of Federal statistical products requires full cooperation between Federal statistical agencies and those persons and organizations that respond to their requests for information.

(6) Federal statistical products and programs can be improved, without reducing respondent cooperation, by permitting carefully controlled sharing of data with statistical agencies in a manner that is consistent with confidentiality commitments made to respondents.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) a more centralized statistical system is integral to efficiency;

(2) with increased efficiency comes better integration of research methodology, survey design, and economies of scale;

(3) the Chief Statistician must have the authority, personnel, and other resources necessary to carry out the duties of that office effectively, including duties relating to statistical forms clearance; and

(4) statistical forms clearance at the Office of Management and Budget should be better distinguished from regulatory forms clearance.

TITLE I—FEDERAL COMMISSION ON STATISTICAL POLICY

SEC. 101. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Federal Commission on Statistical Policy'' (in this title referred to as the ''Commission'').

(b) COMPOSITION.—The Commission shall be composed of 16 members as follows:

(1) APPOINTMENTS BY PRESIDENT.—Eight members appointed by the President from among individuals who—

(A) are not officers or employees of the United States; and

(B)(i) are qualified to serve on the Commission by virtue of experience relating to statistical agencies of the Federal Government; or

(ii) have expertise relating to organizational reorganization, State sources and uses

of statistical information, statistical analysis, or management of complex organizations.

(2) APPOINTMENTS FROM THE HOUSE OF REPRESENTATIVES.—Four members appointed by the Speaker of the House of Representatives, in consultation with the majority leader and minority leader of the House of Representatives, from among individuals who—

(A) are not officers or employees of the United States; and

(B)(i) are qualified to serve on the Commission by virtue of experience relating to statistical agencies of the Federal Government; or

(ii) are also qualified to serve on the Commission by virtue of expertise relating to organizational reorganization, State sources and uses of statistical information, statistical analysis, or management of complex organizations.

(3) APPOINTMENTS FROM THE SENATE.—Four members appointed by the President pro tempore of the Senate, in consultation with the majority leader and minority leader of the Senate, from among individuals who—

(A) are not officers or employees of the United States; and

(B)(i) are qualified to serve on the Commission by virtue of experience relating to statistical agencies of the Federal Government; or

(ii) are also qualified to serve on the Commission by virtue of expertise relating to organizational reorganization, State sources and uses of statistical information, statistical analysis, or management of complex organizations.

(c) DEADLINE FOR APPOINTMENT.—Members shall be appointed to the Commission not later than 4 months after the date of the enactment of this Act.

(d) POLITICAL AFFILIATION.—

(1) APPOINTMENTS BY PRESIDENT.—Of the members of the Commission appointed under subsection (b)(1), not more than 4 may be of the same political party.

(2) APPOINTMENTS BY SPEAKER OF THE HOUSE OF REPRESENTATIVES.—Of the members of the Commission appointed under subsection (b)(2), not more than 2 may be of the same political party.

(3) APPOINTMENTS BY PRESIDENT PRO TEMPORE.—Of the members of the Commission appointed under subsection (b)(3), not more than 2 may be of the same political party.

(e) CHAIRMAN.—The Commission shall select a Chairman from among the members of the Commission by a majority vote of all members.

(f) CONSULTATION BEFORE APPOINTMENTS.—In making appointments under subsection (b), the President, the Speaker of the House of Representatives, the minority leader of the House of Representatives, the President pro tempore of the Senate, and the minority leader of the Senate shall consult with appropriate professional organizations, including State and local governments.

(g) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

SEC. 102. DUTIES OF COMMISSION.

(a) STUDY AND REPORT.—Not later than 18 months after the date of enactment of this Act, the Commission shall study and submit to Congress and the President a written report and draft legislation as necessary and appropriate on the Federal statistical system including—

(1) recommendations on whether the Federal statistical system could be reorganized by consolidating the statistical functions of agencies that carry out statistical programs;

(2) recommendations on how the consolidation described in paragraph (1) may be achieved without disruption in the release of statistical products;

(3) any other recommendations regarding how the Federal statistical system could be reorganized to achieve greater efficiency, improve quality, timeliness, and adaptability to change in carrying out Federal statistical programs;

(4) recommendations on possible improvements to procedures for the release of major economic and social indicators by the United States; and

(5) recommendations to ensure requirements that State data and information shall be maintained in a confidential, consistent, and comparable manner.

(b) PRESIDENTIAL REVIEW.—

(1) IN GENERAL.—

(A) TIME PERIOD FOR REVIEW.—Not later than 15 days after the receipt of the report (including any draft legislation) under subsection (a), the President shall approve or disapprove of the report.

(B) APPROVAL OR INACTION.—If the President approves the report, the Commission shall submit the report to Congress on the day following such approval. If the President does not disapprove the report, the Commission shall submit the report to Congress on the day following the 15-day period described under subparagraph (A).

(C) DISAPPROVAL.—If the President disapproves the report, the President shall note his specific objections and any suggested changes to the Commission.

(D) FINAL REPORT AFTER DISAPPROVAL.—The Commission shall consider any objections and suggested changes submitted by the President and may modify the report based on those objections and suggested changes. Not later than 10 days after receipt of the President's disapproval under subparagraph (C), the Commission shall submit the final report (as modified if modified) to Congress.

(c) STATISTICAL REORGANIZATION BILL.—

(1) IN GENERAL.—If the written report submitted to Congress under subsection (a) contains recommendations on the consolidation of the Federal statistical functions of the United States into a Federal Statistical Service, the report shall contain draft legislation incorporating such recommendations under subsection (a)(1).

(2) DRAFT LEGISLATION.—Draft legislation submitted to Congress under this subsection shall be strictly limited to implementation of recommendations for the consolidation or reorganization of the statistical functions of Federal agencies.

(3) PROVISIONS IN DRAFT LEGISLATION.—Draft legislation submitted to Congress under this subsection that would establish a Federal Statistical Service shall—

(A) provide for an Administrator and Deputy Administrator of the Federal Statistical Service, and the creation of other officers as appropriate; and

(B) contain a provision designating the Administrator as a member of the Interagency Council on Statistical Policy established under section 3504(e)(8) of title 44, United States Code.

(d) OTHER DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall also conduct comprehensive studies and submit reports to Congress on all matters relating to the Federal statistical infrastructure, including longitudinal surveys conducted by private agencies and partially funded by the Federal Government for the purpose of identifying opportunities to improve the quality of statistics in the United States.

(2) INCLUSIONS.—Studies under this subsection shall include—

(A) a review and evaluation of the mission of various statistical agencies and the relevance of such missions to current and future needs;

(B) an evaluation of key statistics and measures and recommendations on ways to improve such statistics so that the statistics better serve the intended major purposes;

(C) a review of interagency coordination of statistical data and recommendations of methods to standardize collection procedures and surveys, as appropriate, and presentation of data throughout the Federal system;

(D) a review of information technology and recommendations of appropriate methods for disseminating statistical data, with special emphasis on resources such as the Internet that allow the public to obtain information in a timely and cost-effective manner;

(E) an identification and examination of issues regarding individual privacy in the context of statistical data;

(F) a comparison of the United States statistical system to statistical systems of other nations for the purposes of identifying best practices;

(G) a consideration of the coordination of statistical data with other nations and international agencies, such as the Organization for Economic Cooperation and Development; and

(H) recommendations regarding the presentation to the public of statistical data collected by Federal agencies, and standards of accuracy for statistical data used by Federal agencies, including statistical data relating to—

(i) the national poverty level and county poverty levels in the United States;

(ii) the Consumer Price Index;

(iii) the gross domestic product; and

(iv) other indicators of economic and social activity, including marriage and divorce in the United States.

(e) DEFINITION OF FEDERAL STATISTICAL SERVICE.—As used in this section, the term ''Federal Statistical Service'' means an entity established after the date of the enactment of this Act as an independent agency in the executive branch, the purpose of which is to carry out Federal statistical programs and to which the statistical functions of Federal statistical agencies are transferred.

SEC. 103. POWERS.

(a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(b) OBTAINING INFORMATION.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of that department or agency shall furnish that information to the Commission.

(c) CONTRACT AUTHORITY.—The Commission may contract with and compensate government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

SEC. 104. COMMISSION PROCEDURES.

(a) MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

(b) QUORUM.—Eight members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(c) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this Act.

(d) VOTING.—The Commission shall adopt any recommendation by a vote of a majority of its members.

SEC. 105. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Members of the Commission appointed under paragraphs (2)(B), (3), or (4) of section 101(b) shall be entitled to receive the daily equivalent of the rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(b) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) STAFF.—The Commission may appoint and fix the pay of personnel as it considers appropriate, including an Executive Director.

(d) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—Staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the highest basic rate of pay established for the Senior Executive Service under section 5382 of such title.

SEC. 106. OTHER ADMINISTRATIVE PROVISIONS.

(a) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the United States.

(b) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this Act.

(c) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 107. TERMINATION.

The Commission shall terminate 3 years after the date of enactment of this Act.

SEC. 108. EXPEDITED PROCEDURES FOR STATISTICAL REORGANIZATION BILL.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it shall be considered as part of the rules of each House, respectively, or of that House to which it specifically applies, and shall supersede other rules only to the extent that they are inconsistent with this section; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) DEFINITION.—As used in this section, the term ''statistical reorganization bill'' means only a bill of either House of Congress—

(1) that is identical to the draft legislation submitted to Congress by the Commission under section 102(b); and

(2) that is introduced as provided in subsection (c).

(c) INTRODUCTION AND REFERRAL.—Within 15 legislative days after the Commission submits to Congress legislation under section 102(b), such legislation shall be introduced (by request) in the House by the Majority Leader of the House of Representatives and shall be introduced (by request) in the Senate by the Majority Leader of the Senate. Such bills shall be referred to the appropriate committee in each House.

(d) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) DISCHARGE.—If the committee of either House to which a statistical reorganization bill has been referred has not reported it at the close of the sixtieth day after its introduction, such committee may be discharged from further consideration of the bill upon a petition supported in writing in the Senate by 10 Members of the Senate and in the House of Representatives by 40 Members of the House of Representatives and it shall be placed on the appropriate calendar.

(2) DAYS.—For purposes of this subsection, in computing a number of days in either House, there shall be excluded the days on which that House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(e) FLOOR CONSIDERATION IN THE HOUSE.—A motion in the House of Representatives to proceed to the consideration of a statistical reorganization bill shall be highly privileged except that a motion to proceed to consider may only be made on the second legislative day after the calendar day on which the Member making the motion announces to the House his intention to do so. The motion to proceed to consider is not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(f) FLOOR CONSIDERATION IN THE SENATE.—

(1) MOTION TO PROCEED.—On or after the fifth day after the date on which a statistical reorganization bill or conference report is placed on the Senate calendar, it shall be in order for any Senator to make a motion to proceed to consideration of the bill or conference report. The motion shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) FINAL PASSAGE.—Immediately following the conclusion of the debate on a statistical reorganization bill or conference report, the vote on final passage shall occur.

(g) CONFERENCE.—In the Senate, a motion to elect or to authorize the appointment of conferees shall not be debatable.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Commission such sums as may be necessary to carry out the functions of the Commission.

TITLE II—EFFICIENCY AND CONFIDENTIALITY OF FEDERAL STATISTICAL SYSTEMS

SEC. 201. SHORT TITLE.

This title may be cited as the ''Statistical Confidentiality Act''.

SEC. 202. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) High quality Federal statistical products and programs are essential for sound business and public policy decisions.

(2) The challenge of providing high quality statistics has increased because the Nation's economy and society are more complex, new technologies are available, and decision makers need more complete and accurate data.

(3) Maintaining quality requires full cooperation between Federal statistical agencies and those persons and organizations that respond to requests for information.

(4) Federal statistical products and programs can be improved, without reducing respondent cooperation, by permitting carefully controlled sharing of data with statistical agencies in a manner that is consistent with confidentiality commitments made to respondents.

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

(1) To provide that individually identifiable information furnished either directly or indirectly to designated statistical agencies for exclusively statistical purposes shall not be disclosed in individually identifiable form by such agencies for any other purpose without the informed consent of the respondent.

(2) To prohibit the use by such agencies, in individually identifiable form, of any information collected, compiled, or maintained solely for statistical purposes under Federal authority, to make any decision or take any action directly affecting the rights, benefits, and privileges of the person to whom the information pertains, except with the person's consent.

(3) To reduce the reporting burden, duplication, and expense imposed on the public by permitting interagency exchange, solely for statistical purposes, of individually identifiable information needed for statistical programs, and to establish secure conditions for such exchanges.

(4) To reduce the cost and improve the accuracy of statistical programs by facilitating cooperative projects between statistical agencies, and to create a secure environment where expertise and data resources that reside in different agencies can be brought together to address the information needs of the public.

(5) To reduce the risk of unauthorized disclosure of information maintained solely for statistical purposes by designating specific statistical agencies that are authorized to receive otherwise privileged information for such purposes from other agencies, and to prescribe specific conditions and procedures that must be complied with in any such exchange.

(6) To establish a consistent basis under the requirements of section 552 of title 5, United States Code (popularly known as the ''Freedom of Information Act'') for exempting a defined class of statistical information from compulsory disclosure.

(7) To ensure that existing avenues for public access to administrative data or information under section 552a of title 5, United States Code (popularly known as the ''Privacy Act'') or section 552 of such title (popularly known as the ''Freedom of Information Act'') are retained without change.

(8) To establish consistent procedural safeguards for records disclosed exclusively for statistical purposes, including both public input and an oversight process to ensure fair information practices.

SEC. 203. DEFINITIONS.

In this title:

(1) The term ''agency'' means—

(A) any ''executive agency'' as defined under section 102 of title 31, United States Code; or

(B) any ''agency'' as defined under section 3502 of title 44, United States Code.

(2) The term ''agent'' means a person designated by a Statistical Data Center to perform, either in the capacity of a Federal employee or otherwise, exclusively statistical activities authorized by law under the supervision or control of an officer or employee of that Statistical Data Center, and who has agreed in writing to comply with all provisions of law that affect information acquired by that Statistical Data Center.

(3) The term ''identifiable form'' means any representation of information that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means.

(4) The term ''nonstatistical purpose'' means any purpose that is not a statistical purpose, and includes any administrative, regulatory, adjudicatory, or other purpose that affects the rights, privileges, or benefits of a particular identifiable respondent.

(5) The term ''respondent'' means a person who or organization that—

(A) is requested or required to supply information to an agency;

(B) is the subject of information requested or required to be supplied to an agency; or

(C) provides that information to an agency.

(6) The term ''statistical activities''—

(A) means the collection, compilation, processing, or analysis of data for the purpose of describing or making estimates concerning the whole or relevant groups or components within, the economy, society, or the natural environment; and

(B) includes the development of methods or resources that support those activities, such as measurement methods, models, statistical classifications, or sampling frames.

(7) The term ''statistical purpose''—

(A) means the description, estimation, or analysis of the characteristics of groups without regard to the identities of individuals or organizations that comprise such groups; and

(B) includes the development, implementation, or maintenance of methods, technical or administrative procedures, or information resources that support such purposes.

SEC. 204. STATISTICAL DATA CENTERS.

(a) IN GENERAL.—Each of the following is designated as a Statistical Data Center:

(1) The Bureau of Economic Analysis in the Department of Commerce.

(2) The Bureau of the Census in the Department of Commerce.

(3) The Bureau of Labor Statistics in the Department of Labor.

(4) The National Agricultural Statistics Service in the Department of Agriculture.

(5) The National Center for Education Statistics in the Department of Education.

(6) The National Center for Health Statistics in the Department of Health and Human Services.

(7) The Energy End Use and Integrated Statistics Division of the Energy Information Administration in the Department of Energy.

(8) The Division of Science Resources Studies in the National Science Foundation.

(b) DESIGNATION.—In the case of a reorganization that eliminates, or substantially alters the mission or functions of, an agency or agency component listed under subsection (a), the Director of the Office of Management and Budget, after consultation with the head of the agency proposing the reorganization, may designate an agency or agency component that shall serve as a successor Statistical Data Center under the terms of this title, if the Director determines that—

(1) the primary activities of the proposed Statistical Data Center are statistical activities specifically authorized by law;

(2) the successor agency or component would participate in data sharing activities that significantly improve Federal statistical programs or products;

(3) the successor agency or component has demonstrated its capability to protect the individual confidentiality of any shared data; and

(4) the statutes that apply to the proposed Statistical Data Center are not inconsistent with this title.

(c) NOTICE AND COMMENT.—The head of an agency seeking designation as a successor under this section shall, after consultation with the Director of the Office of Management and Budget, provide public notice and an opportunity to comment on the consequences of such designation and on those determinations upon which the designation is proposed to be based.

(d) PROHIBITION AGAINST INCREASE IN NUMBER OF CENTERS.—No action taken under this section shall increase the number of Statistical Data Centers authorized by this title.

SEC. 205. STATISTICAL DATA CENTER RESPONSIBILITIES.

The Statistical Data Centers shall—

(1) identify opportunities to eliminate duplication and otherwise reduce reporting burden and cost imposed on the public by sharing information for exclusively statistical purposes;

(2) enter into joint statistical projects to improve the quality and reduce the cost of statistical programs;

(3) safeguard the confidentiality of individually identifiable information acquired for statistical purposes by assuring its physical security and by controlling access to, and uses made of, such information; and

(4) respect the rights and privileges of the public by observing and promoting fair information practices.

SEC. 206. CONFIDENTIALITY OF INFORMATION.

(a) IN GENERAL.—Data or information acquired by a Statistical Data Center for exclusively statistical purposes shall be used only for statistical purposes. Such data or information shall not be disclosed in identifiable form for any other purpose without the informed consent of the respondent.

(b) RULE DISTINGUISHING DATA OR INFORMATION.—If a Statistical Data Center is authorized by any other statute to collect data or information for nonstatistical purposes, the head of the Statistical Data Center shall clearly distinguish such data or information by rule. Such rule shall provide for fully informing the respondents requested or required to supply such data or information of such nonstatistical uses before collecting such data or information.

(c) DISCLOSURE.—Data or information may be disclosed by an agency to 1 or more Statistical Data Centers, if—

(1) the disclosure and use are not inconsistent with any provision of law or Executive order that explicitly limit the statistical purposes for which such data or information may be used;

(2) the disclosure is not prohibited by law or Executive order in the interest of national security;

(3) the data or information are to be used exclusively for statistical purposes by the Statistical Data Center or Centers; and

(4) the disclosure is made under the terms of a written agreement between a Statistical Data Center or Centers and the agency supplying information as authorized by this subsection, specifying—

(A) the data or information to be disclosed;

(B) the purposes for which the data or information are to be used; and

(C) appropriate security procedures to safeguard the confidentiality of the data or information.

(d) AGREEMENTS.—Data or information supplied to a Statistical Data Center under an agreement authorized under subsection (b)(4) shall not be disclosed in identifiable form by that Center for any purpose, except that data or information collected directly by any party to such agreement may be disclosed to any other party to that agreement for exclusively statistical purposes specified in that agreement.

(e) NOTICE.—Whenever a written agreement authorized under subsection (c)(4) concerns data that respondents were required by law to report and the agreement contains terms that could not reasonably have been anticipated by respondents who provided the data that will be disclosed, or upon the initiative of any party to such an agreement, or whenever ordered by the Director of the Office of Management and Budget, the terms of such agreement shall be described in a public notice issued by the agency that intends to disclose the data. Such notice shall allow a minimum of 60 days for public comment before such agreement shall take effect. The Director shall be fully apprised of any issues raised by the public and may suspend the effect of such an agreement to permit modifications responsive to public comments.

(f) FOIA AND PRIVACY ACT.—The disclosure of data or information by an agency under subsection (c) shall in no way alter the responsibility of that agency under other statutes, including sections 552 and 552a of title 5, United States Code, for the disclosure or withholding of the same or similar information retained by that agency.

(g) DISCLOSURE PROVISIONS OF OTHER LAWS.—If information obtained by an agency is released to another agency under this section, all provisions of law (including penalties) that relate to the unlawful disclosure of information apply to the officers, employees, or agents of the agency to which information is released to the same extent and in the same manner as the provisions apply to the officers and employees of the agency which originally obtained the information. The officers, employees, and agents of the agency to which the information is released, in addition, shall be subject to the same provisions of law, including penalties, relating to the unlawful disclosure of information that would apply to officers and employees of that agency if the information had been collected directly by that agency.

SEC. 207. COORDINATION AND OVERSIGHT.

(a) IN GENERAL.—The Director of the Office of Management and Budget shall coordinate and oversee the confidentiality and disclosure policies established by this title.

(b) REPORT OF DISCLOSURE AGREEMENTS.—

(1) REPORT TO THE OFFICE OF MANAGEMENT AND BUDGET.—The head of a Statistical Data Center shall report to the Office of Management and Budget—

(A) each disclosure agreement entered into under this title;

(B) the results of any review of information security undertaken at the request of the Office of Management and Budget; and

(C) the results of any similar review undertaken on the initiative of the Statistical Data Center or an agency supplying data or information to a Statistical Data Center.

(2) REPORT TO CONGRESS.—The Director of the Office of Management and Budget shall include a summary of all reports submitted to the Director under this subsection and any actions taken by the Director to advance the purposes of this title in the Office's annual report to the Congress on statistical programs.

(c) REVIEW AND APPROVAL OF RULES.—The Director of the Office of Management and Budget shall review and approve any rules proposed pursuant to this title for consistency with this title and chapter 35 of title 44, United States Code.

SEC. 208. IMPLEMENTING REGULATIONS.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Director of the Office of Management and Budget, or the head of a Statistical Data Center or of an agency providing information to a Center, may promulgate such rules as may be necessary to implement this title.

(b) CONSISTENCY.—The Director of the Office of Management and Budget shall promulgate rules or provide such other guidance as may be needed to ensure consistent interpretation of this title by the affected agencies.

(c) AGENCY RULES.—Rules governing disclosures of information authorized by this title shall be promulgated by the agency that originally collected the information, subject to the review and approval required under this title.

SEC. 209. CONFORMING AMENDMENTS AND PROPOSED CHANGES IN LAW.

(a) DEPARTMENT OF COMMERCE.—

(1) The first section of the Act of January 27, 1938 (15 U.S.C. 176a; 52 Stat. 8) is amended in the second sentence by striking ''The'' and inserting ''Except as provided in the Statistical Confidentiality Act, the''.

(2)(A) Chapter 10 of title 13, United States Code, is amended by adding after section 401 the following:

''§ 402. Exchange of census information with Statistical Data Centers

''The Bureau of the Census is authorized to provide data collected under this title to Statistical Data Centers (Centers) named in the Statistical Confidentiality Act, or their successors designated under the terms of that Act.''.

(B) The table of sections for chapter 10 of title 13, United States Code, is amended by adding after the item relating to section 401 the following:

''402. Exchange of census information with Statistical Data Centers.''.

(b) DEPARTMENT OF ENERGY.—

(1) Section 205 of the Department of Energy Organization Act (42 U.S.C. 7135) is amended by adding after subsection (l) the following new subsection:

''(m)(1)(A) The Administrator shall designate an organizational unit to conduct statistical activities pertaining to energy end use consumption information. Using procedures authorized by the Statistical Confidentiality Act, the Administrator shall ensure the security, integrity, and confidentiality of the information that has been submitted in identifiable form and supplied exclusively for statistical purposes either directly to the Administrator or by other Government agencies.

''(B) To carry out this section, the Administrator shall establish procedures for the disclosure of these data to Statistical Data Centers for statistical purposes only consistent with the Paperwork Reduction Act and the Statistical Confidentiality Act.

''(2)(A) A person may not publish, cause to be published, or otherwise communicate, statistical information designated in paragraph (1) in a manner that identifies any respondent.

''(B) A person may not use statistical information designated in paragraph (1) for a nonstatistical purpose.

''(C) The identity of a respondent who supplies, or is the subject of, information collected for statistical purposes—

''(i) may not be disclosed through any process, including disclosure through legal process, unless the respondent consents in writing;

''(ii) may not be disclosed to the public, unless information has been transformed into a statistical or aggregate form that does not allow the identification of the respondent who supplied the information or who is the subject of that information; and

''(iii) may not, without the written consent of the respondent, be admitted as evidence or used for any purpose in an action, suit, or other judicial or administrative proceeding.

''(D) Any person who violates subparagraphs (2)(A), (B), or (C), upon conviction, shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.

''(E) For purposes of this subsection:

''(i) The term 'person' has the meaning given the term in section 1 of title 1, United States Code, but also includes a local, State, or Federal entity or officer or employee of a local State or Federal entity.

''(ii) The terms 'statistical activities', 'identifiable form', 'statistical purpose', 'nonstatistical purpose', and 'respondent' have the meaning given those terms in section 203 of the Statistical Confidentiality Act.

''(3) Statistical information designated in paragraph (1) is exempt from disclosure under sections 205(f) and 407 of the Department of Energy Organization Act and paragraphs 12, 20, and 59 of the Federal Energy Administration Act of 1974, or any other law which requires disclosure of that information.''.

(2) Section 205(f) of the Department of Energy Organization Act (42 U.S.C. 7135) is amended by inserting '', excluding information designated solely for statistical purposes under subsection (m)(1),'' after ''analysis''.

(3) Section 407 of the Department of Energy Organization Act (42 U.S.C. 7177a) is amended by inserting '', excluding information designated solely for statistical purposes under subsection (m)(1),'' after ''information''.

(4) The Federal Energy Administration Act of 1974 is amended—

(A) in section 12 (15 U.S.C. 771), by adding after subsection (f) the following new subsection:

''(g) This section does not apply to information designated solely for statistical purposes under section 205(m)(1) of the Department of Energy Organization Act.'';

(B) in section 20(a)(3) (15 U.S.C. 779), by inserting '', excluding information designated solely for statistical purposes under subsection (m)(1) of the Department of Energy Organization Act (42 U.S.C. 7135)'' after ''information''; and

(C) in section 59 (15 U.S.C. 790h), by inserting '', excluding information designated solely for statistical purposes under subsection (m)(1) of the Department of Energy Organization Act (42 U.S.C 7135)'' after ''information''.

(c) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Section 306 of the Public Health Service Act (42 U.S.C. 242k) is amended by adding at the end the following new subsection:

''(o) SHARING OF IDENTIFYING INFORMATION FOR STATISTICAL PURPOSES.—

''(1) IN GENERAL.—The Director may, subject to the provisions of paragraph (2), designate as an agent of the Center (within the meaning of section 203(2) of the Statistical Confidentiality Act) an individual—

''(A) who is not otherwise an employee, official, or agent of the Center; and

''(B) who enters into a written agreement with the Director specifying terms and conditions for sharing of statistical information.

''(2) EFFECT OF DESIGNATION.—An individual designated as an agent of the Center pursuant to paragraph (1) shall be subject to all restrictions on the use and disclosure of statistical information obtained by the individual under the agreement specified in paragraph (1)(B), and to all civil and criminal penalties applicable to violations of such restrictions, including penalties under section 1905 of title 18, United States Code, that would apply to the individual if an employee of the Center.''.

(d) DEPARTMENT OF LABOR.—The Commissioner of Labor Statistics shall be authorized to designate agents, as defined under section 203(2) of this title.

(e) NATIONAL SCIENCE FOUNDATION.—Section 14 of the National Science Foundation Act of 1950 (42 U.S.C. 1873) is amended—

(1) by striking the paragraph following the heading of subsection (i) and inserting the following:

''Information supplied to the Foundation or its contractor in survey forms, questionnaires, or similar instruments for purposes of section 3(a) (5) or (6) by an individual, by an industrial or commercial organization, or by an educational or academic institution that has received a pledge of confidentiality from the Foundation, may not be disclosed to the public unless the information has been transformed into statistical or abstract formats that do not allow the identification of the supplier. Such information shall be used in identifiable form only for statistical purposes as defined in the Statistical Confidentiality Act. The names of individuals and organizations supplying such information may not be disclosed to the public.''; and

(2) by redesignating subsection (j) as subsection (k) and inserting the following new subsection after subsection (i):

''(j) OBLIGATIONS OF RESEARCHERS.—In support of functions authorized by section 3(a) (5) or (6), the Foundation may designate, at its discretion, authorized persons, including employees of Federal, State, or local agencies (including local educational agencies) and employees of private organizations who may have access, for exclusively statistical purposes as defined in the Statistical Confidentiality Act, to identifiable information collected pursuant to subsection (a) (5) or (6) of this title. No such person may—

''(1) publish information collected under section 3(a) (5) or (6) in such a manner that either an individual, an industrial or commercial organization, or an educational or academic institution that has received a pledge of confidentiality from the Foundation can be specifically identified;

''(2) permit anyone other than individuals authorized by the Foundation to examine in identifiable form data relating to an individual, to an industrial or commercial organization, or to an educational or academic institution that has received a pledge of confidentiality from the Foundation; or

''(3) knowingly and willfully request or obtain any confidential information described

in subsection (i) from the Foundation under false pretenses.

Any person who violates these restrictions shall be guilty of a misdemeanor and fined not more than $10,000.''.

(f) DISCLOSURE PENALTIES.—Section 1905 of title 18, United States Code, is amended—

(1) by inserting '', or agent of a Statistical Data Center as defined in the Statistical Confidentiality Act,'' after ''thereof''; and

(2) by striking ''shall be fined not more than $1,000'' and inserting ''shall be fined under this title''.

SEC. 210. EFFECT ON OTHER LAWS.

(a) TITLE 44, U.S.C.—This title, including the amendments made by this title, does not diminish the authority under section 3510 of title 44, United States Code, of the Director of the Office of Management and Budget to direct, and of an agency to make, disclosures that are not inconsistent with any applicable law.

(b) STATE LAW.—Nothing in this Act shall be construed to abrogate applicable State law regarding the confidentiality of data collected by the States.

(c) FOIA.—Data or information acquired for exclusively statistical purposes as provided in section 206 is exempt from mandatory disclosure under section 552 of title 5, United States Code, pursuant to section 552(b)(3) of such title.

SUMMARY OF THE FEDERAL COMMISSION ON STATISTICAL POLICY ACT OF 1999[1]

OVERVIEW

The Bill establishes a Federal Commission on Statistical Policy to study the reorganization of the Federal statistical system, and provides uniform safeguards for the confidentiality of information acquired exclusively for statistical purposes.

FINDINGS

The Congress, recognizing the importance of statistical information in the development of national priorities and policies and in the administration of public programs finds that: the decentralized Federal statistical system has limited the usefulness of statistics in defining problems and determining national policies to deal with complex social and economic issues; coordination is necessary to strengthen and improve the quality of statistics, and to reduce duplication and waste; high-quality Federal statistics are essential for sound business and public policy decisions; the challenge of providing high-quality statistics has increased because of the complexity of our economy and society and because of the need for more accurate information; maintaining the quality of Federal statistics requires cooperation between the Federal statistical agencies and respondents to Federal statistical surveys; and Federal statistics may be improved by data sharing among the statistical agencies in a controlled manner that protects the confidentiality promised to respondents.

SENSE OF THE CONGRESS

The bill expresses the Sense of Congress that: A more centralized statistical system is integral to efficiency; Increased efficiency would result in better integration of research methodology, survey design and economics of scale; and The Chief Statistician of the Office of Management and Budget (OMB) must have the authority, personnel and other resources necessary to carry out the duties.

[1] Prepared by the staff of Senator Daniel Patrick Moynihan, 1/19/99.

TITLE I—FEDERAL COMMISSION ON STATISTICAL POLICY ESTABLISHMENT

A commission is established which is to be known as the ''Federal Commission on Statistical Policy.''

The Commission shall be composed of 16 members: eight to be appointed by the President; four to be appointed by the Speaker of the House of Representatives in consultation with the Majority and Minority Leader; and four to be appointed by the President pro tempore of the Senate in consultation with the Majority and Minority Leader.

The Commission would have a term of 36 months from the date of enactment.

DUTIES OF THE COMMISSION

Within 18 months of its appointment, the Commission shall study and submit to Congress a written report on Federal statistics that makes recommendations on: whether the Federal statistical system could be reorganized by consolidating the statistical functions of agencies that carry out statistical programs; how such consolidation could be done without disruption in the release of statistical products; whether functions of other Federal agencies that carry out statistical programs could be transferred to the Federal Statistical Service; any other issues relating to the reorganization of Federal statistical programs; and possible improvements in procedures for the release of major economic and social indicators.

If the written report of the Commission contains recommendations on the consolidation of the Federal statistical functions of the United States into a newly established independent Federal agency, designated as the Federal Statistical Service, the report shall contain draft legislation incorporating those recommendations. The Commission should also make recommendations for nominations for the appointment of an Administrator and Deputy Administrator of the Federal Statistical Service.

During the 36 month term of the Commission, it would also be responsible for conducting comprehensive studies, and submitting reports to Congress on all matters relating to the Federal statistical infrastructure including: an evaluation of the mission of various statistical agencies and the relevance of such missions to current and future needs; a review of information technology and recommendations of appropriate methods for disseminating statistical data; and a comparison of our statistical system with the systems of other nations.

TITLE II—EFFICIENCY AND CONFIDENTIALITY OF FEDERAL STATISTICAL SYSTEMS

The title reaffirms policies that have been applied to confidential data by statistical agencies for many decades and extends these policies to protect confidentiality in an environment which permits carefully controlled sharing of information exclusively for statistical purposes. It recognizes that the credible protection of confidentiality is crucial to ensuring the level of cooperation which produces accurate and timely responses to statistical inquiries.

DESIGNATION OF STATISTICAL DATA CENTERS

The bill designates the BLS, BEA and Bureau of Census National Agricultural Statistics Service, The National Center for Education Statistics, The National Center for Health Statistics, The Energy End Use and Integrated Statistics Division of the Energy Information Administration, and The Division of Science Resources Studies as Statistical Data Centers; and assigns general responsibilities to the agencies designated as Statistical Data Centers.

DISCLOSURE OF DATA OR INFORMATION BY FEDERAL AGENCIES TO STATISTICAL DATA CENTERS

The bill establishes a uniform confidentiality policy for data acquired for exclusively statistical purposes, by prohibiting disclosures of such data for non-statistical purposes and limiting disclosures for statistical purposes.

COORDINATION AND OVERSIGHT BY OFFICE OF MANAGEMENT AND BUDGET

The bill assigns OMB the responsibility for oversight, reporting, coordination, and review and approval of any implementing regulations.

SEPTEMBER 23, 1996.

Hon. DANIEL P. MOYNIHAN,
Hon. J. ROBERT KERRY,
U.S. Senate, Washington, DC.

DEAR SENATORS MOYNIHAN AND KERRY: All of us are former Chairmen of the Council of Economic Advisers. We write to support the basic objectives and approach of your Bill to establish the Commission to Study the Federal Statistical System.

The United States possesses a first-class statistical system. All of us have in the past relied heavily upon the availability of reasonably accurate and timely federal statistics on the national economy. Similarly, our professional training leads us to recognize how important a good system of statistical information is for the efficient operations of our complex private economy. But we are also painfully aware that important problems of bureaucratic organization and methodology need to be examined and dealt with if the federal statistical system is to continue to meet essential public and private needs.

All of us have particular reason to remember the problems which periodically arise under the current system of widely scattered responsibilities. Instead of reflecting a balance among the relative priorities of one statistical collection effort against others, statistical priorities are set in a system within which individual Cabinet Secretaries recommend budgetary tradeoffs between their own substantive programs and the statistical operations which their departments, sometimes by historical accident, are responsible for collecting. Moreover, long range planning of improvements in the federal statistical system to meet the changing nature and needs of the economy is hard to organize in the present framework. The Office of Management and Budget and the Council of Economic Advisers put a lot of effort into trying to coordinate the system, often with success, but often swimming upstream against the system.

We are also aware, as of course are you, of a number of longstanding substantive and methodological difficulties with which the current system is grappling. These include the increasing importance in the national economy of the service sector, whose output and productivity are especially hard to measure, and the pervasive effect both on measures of national output and income and on the federal budget of the accuracy (or inaccuracy) with which our measures of prices capture changes in the quality of the goods and services we buy.

Without at all prejudging the appropriate measures to deal with these difficult problems, we believe that a thoroughgoing review

by a highly qualified and bipartisan Commission as provided in your Bill has great promise of showing the way to major improvements.

Sincerely,

Professor Michael J. Boskin, Stanford University; Dr. Martin Feldstein, National Bureau of Economic Research; Alan Greenspan; Professor Paul W. McCracken, University of Michigan; Raymond J. Saulnier; Charles L. Schultze, The Brookings Institution; Beryl W. Sprinkel; Herbert Stein, American Enterprise Institute; Professor Murray Weidenbaum, Center for the Study of American Business.

By Mr. MOYNIHAN (for himself and Mr. CHAFEE):

S. 206. A bill to amend title XXI of the Social Security Act to provide for improved data collection and evaluations of State Children's Health Insurance Programs, and for other purposes; to the Committee on Finance.

THE CHIP DATA AND EVALUATION IMPROVEMENT ACT OF 1999

Mr. MOYNIHAN. Mr. President, today I am introducing with my colleague Senator CHAFEE the CHIP Data and Evaluation Improvement Act of 1999. This legislation would ensure comparable data and an adequate evaluation of children's health coverage under the new Children's Health Insurance Program (CHIP) and Medicaid.

In 1997, CHIP was established to provide health coverage for low-income uninsured children. The Balanced Budget Act of 1997 provided $48 billion over ten years, mostly in the form of a block grant, for states to develop children's health insurance programs.

New York and other states pioneered expanded children's health programs well before the enactment of CHIP. With new federal CHIP funding, more states are beginning to develop their own programs. To date, 48 states have CHIP plans that have been approved by the Health Care Financing Administration, with most just beginning to implement their programs. We await reports on the effectiveness of their efforts to cover the nation's uninsured children.

THE NEED FOR DATA

Implementing their programs is the first challenge before the states. For the Federal government, the first challenge clearly will be to track the experience of children and of the CHIP programs. We will need data to answer some basic questions: Is the number of uninsured children being reduced over time, and how effective are the state CHIP programs at serving them? What are the best practices and initiatives for finding and enrolling the nation's uninsured children?

We cannot begin to solve a problem until we can measure it. Appropriate program data and evaluation contributes to sound policy and program design. In 1994, the Welfare Indicators Act of that year—a bill that I introduced—became law. The bill directed the Secretary of Health and Human Services to study the most useful statistics for tracking and predicting trends in three means-tested cash and nutritional assistance programs. The first of these, of course, was ADFC, but the first full Report came two months after AFDC was repealed.

Without data to track its benefits, a program becomes vulnerable to reductions in funding. The most recent example is the Social Services Block Grant under Title XX of the Social Security Act, which funds a wide array of social services ranging from child care to home-delivered meals to the elderly. Little summary data on this program has been released and not all data is reported in a uniform manner. The welfare repeal bill enacted in 1996 reduced the block grant from $2.8 billion to $2.38 billion. Appropriations for Fiscal Year 1998 limited funding for that year to $2.29 billion. The highway and mass transit bill enacted in 1998 further reduced grants to $1.7 billion by 2001. Most recently, the Omnibus Consolidated and Emergency Supplemental Appropriations for Fiscal Year 1999 accelerated that funding limitation to $1.9 billion in FY 1999.

THE CHIP DATA AND EVALUATION IMPROVEMENT ACT OF 1999

The CHIP Data and Evaluation Improvement Act of 1999 calls for a detailed Federal CHIP evaluation by the Secretary of Health and Human Services. Current law requires a CHIP report from the Secretary to Congress; however, no funds were authorized. This bill would provide the necessary funds to conduct an evaluation. The evaluation would focus, in part, on outreach and enrollment and on the coordinated the existing Medicaid program and the new CHIP program.

In this era of devolution of social programs, the Federal government has an increasingly critical responsibility to ensure adequate and comparable national data. This bill would ensure that standardized CHIP data is provided. At the very least, the Federal government should provide, on a national level, estimates of the number of children below the poverty level who are covered by CHIP and by Medicaid.

The CHIP Data and Evaluation Improvement Act would provide funding so that existing national surveys would provide reliable and comparable state-by-state data. The most fundamental question we, as policy makers, will be asking is whether the number of uninsured children is going down. With an increasing percent of uninsured, a stable rate might be considered a success! This bill would provide additional funding to the Census Bureau for its Current Population Survey—a national data source of the uninsured—to improve upon the reliability of its state-by-state estimates of uninsured children.

In addition, the proposal would provide funding for another national survey to provide reliable state-by-state data on health care access and utilization for low-income children. Although this survey may also provide data on the number of uninsured, the CPS would be the primary source for such figures.

Also, to develop more efficient and centralized statistics, this bill would coordinate a Federal clearinghouse for all data bases and reports on children's health. Centralized and complete information is the key to sound policy and programs.

I ask unanimous consent that the summary and the full text of the bill be printed in the RECORD.

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

S. 206

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 ''CHIP Data and Evaluation Improvement Act of 1999.''.

SEC. 2. FUNDING FOR RELIABLE ANNUAL STATE-BY-STATE ESTIMATES ON THE NUMBER OF CHILDREN WHO DO NOT HAVE HEALTH INSURANCE COVERAGE.

Section 2108 of the Social Security Act (42 U.S.C.1397hh) is amended by adding at the end the following:

''(c) ADJUSTMENT TO CURRENT POPULATION SURVEY TO INCLUDE STATE-BY-STATE DATA RELATING TO CHILDREN WITHOUT HEALTH INSURANCE COVERAGE.—

''(1) IN GENERAL.—The Secretary of Commerce shall make appropriate adjustments to the annual Current Population Survey conducted by the Bureau of the Census in order to produce statistically reliable annual State data on the number of low-income children who do not have health insurance coverage, so that real changes in the uninsurance rates of children can reasonably be detected. The Current Population Survey should produce data under this subsection that categorizes such children by family income, age, and race or ethnicity. The adjustments made to produce such data shall include, where appropriate, expanding the sample size used in the State sampling units, expanding the number of sampling units in a State, and an appropriate verification element.

''(2) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for fiscal year 2000 and each fiscal year thereafter for the purpose of carrying out this subsection.''.

SEC. 3. FUNDING FOR CHILDREN'S HEALTH CARE ACCESS AND UTILIZATION STATE-BY-STATE DATA.

Section 2108 of the Social Security Act (42 U.S.C.1397hh), as amended by section 2, is amended by adding at the end the following:

''(d) COLLECTION OF CHILDREN'S HEALTH CARE ACCESS AND UTILIZATION STATE-LEVEL DATA.—

''(1) IN GENERAL.—The Secretary, acting through the National Center for Health Statistics (in this subsection referred to as the 'Center'), shall collect data on children's health insurance through the State and Local Area Integrated Telephone Survey (SLAITS) for the 50 States and the District of Columbia. Sufficient data shall be collected so as to provide reliable, annual,

State-by-State information on the health care access and utilization of children in low-income households, and to allow for comparisons between demographic subgroups categorized with respect to family income, age, and race or ethnicity.

''(2) SURVEY DESIGN AND CONTENT.—

''(A) IN GENERAL.—In carrying out paragraph (1), the Secretary, acting through the Center—

''(i) shall obtain input from appropriate sources, including States, in designing the survey and making content decisions; and

''(ii) at the request of a State, may collect additional data to assist with a State's evaluation of the program established under this title.

''(B) REIMBURSEMENT OF COSTS OF ADDITIONAL DATA.—A State shall reimburse the Center for services provided under subparagraph (A)(ii).

''(3) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $9,000,000 for fiscal year 2000 and each fiscal year thereafter for the purpose of carrying out this subsection.''.

SEC. 4. FEDERAL EVALUATION OF STATE CHILDREN'S HEALTH INSURANCE PROGRAMS.

Section 2108 of the Social Security Act (42 U.S.C.1397hh), as amended by sections 2 and 3, is amended—

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

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

''(c) FEDERAL EVALUATION.—

''(1) IN GENERAL.—The Secretary, directly or through contracts or interagency agreements, shall conduct an independent evaluation of 10 States with approved child health plans.

''(2) SELECTION OF STATES.—In selecting States for the evaluation conducted under this subsection, the Secretary shall chose 10 States that utilize diverse approaches to providing child health assistance, represent various geographic areas (including a mix of rural and urban areas), and contain a significant portion of uncovered children.

''(3) MATTERS INCLUDED.—In addition to the elements described in subsection (b)(1), the evaluation conducted under this subsection shall include, but is not limited to, the following:

''(A) Surveys of the target population (enrollees, disenrollees, and individuals eligible for but not enrolled in the program under this title).

''(B) Evaluation of effective and ineffective outreach and enrollment practices with respect to children (for both the program under this title and the medicaid program under title XIX), and identification of enrollment barriers and key elements of effective outreach and enrollment practices, including practices that have successfully enrolled hard-to-reach populations such as children who are eligible for medical assistance under title XIX but have not been enrolled previously in the medicaid program under that title.

''(C) Evaluation of the extent to which State medicaid eligibility practices and procedures under the medicaid program under title XIX are a barrier to the enrollment of children under that program, and the extent to which coordination (or lack of coordination) between that program and the program under this title affects the enrollment of children under both programs.

''(D) An assessment of the effect of cost-sharing on utilization, enrollment, and coverage retention.

''(E) Evaluation of disenrollment or other retention issues, such as switching to private coverage, failure to pay premiums, or barriers in the recertification process.

''(4) SUBMISSION TO CONGRESS.—Not later than December 31, 2001, the Secretary shall submit to Congress the results of the evaluation conducted under this subsection.

''(5) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for fiscal year 2000 for the purpose of conducting the evaluation authorized under this subsection. Amounts appropriated under this paragraph shall remain available without fiscal year limitation.''.

SEC. 5. STANDARDIZED REPORTING REQUIREMENTS FOR ANNUAL REPORTS.

Section 2108(a) of the Social Security Act (42 U.S.C. 1397hh(a)) is amended by—

(1) redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively and indenting appropriately;

(2) by striking ''The State shall—'' and inserting the following

''(1) IN GENERAL.—The State shall—''; and

(3) by adding at the end the following:

''(2) STANDARDIZED REPORTING REQUIREMENTS.—Each annual report submitted under this subsection shall, in addition to expenditure and other reporting requirements specified by the Secretary, include the following:

''(A) Enrollee counts categorized by income (that at least identifies enrollees with income below the poverty line), age, and race or ethnicity, and, if income levels used in State reporting differ from that prescribed by the Secretary, a detailed description of the eligibility methodologies used by the State, including all relevant income disregards, exempted income, and eligibility family units.

''(B) The annual percentages of those individuals who sought coverage (as determined by the Secretary) through the screening and enrollment process established under the State program under this title who were—

''(i) enrolled in the program under this title;

''(ii) enrolled in the medicaid program under title XIX; or

''(iii) determined eligible for, but not enrolled in, the program under this title or the medicaid program under title XIX.''.

SEC. 6. INSPECTOR GENERAL AUDIT AND GAO REPORT ON ENROLLEES ELIGIBLE FOR MEDICAID.

Section 2108 of the Social Security Act (42 U.S.C.1397hh), as amended by section 4, is amended by adding at the end the following:

''(f) INSPECTOR GENERAL AUDIT AND GAO REPORT.—

''(1) AUDIT.—Beginning with fiscal year 2000, and every third fiscal year thereafter, the Secretary, through the Inspector General of the Department of Health and Human Services, shall audit a sample from among the States described in paragraph (2) in order to—

''(A) determine the number, if any, of enrollees under the plan under this title who are eligible for medical assistance under title XIX (other than as an optional targeted low-income children under section 1902(a)(10)(A)(ii)(XIV)); and

''(B) assess the progress made in reducing the number of targeted uncovered low-income children relative to the goals established in the State child health plan, as reported to the Secretary in accordance with subsection (a)(2).

''(2) STATE DESCRIBED.—A State described in this paragraph is a State with an approved State child health plan under this title that does not, as part of such plan, provide health benefits coverage under the State's medicaid program under title XIX.

''(3) MONITORING AND REPORT FROM GAO.—The Comptroller General of the United States shall monitor the audits conducted under this subsection and, not later than March 1 of each fiscal year after a fiscal year in which an audit is conducted under this subsection, shall submit a report to Congress on the results of the audit conducted during the prior fiscal year.''.

SEC. 7. COORDINATION OF DATA COLLECTION WITH DATA REQUIREMENTS UNDER THE MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT.

Subparagraphs (C)(ii) and (D)(ii) of section 506(a)(2) of the Social Security Act (42 U.S.C. 706(a)(2)) are each amended by inserting ''or the State plan under title XXI'' after ''title XIX''.

SEC. 8. COORDINATION OF DATA SURVEYS AND REPORTS.

The Secretary of Health and Human Services, through the Assistant Secretary for Planning and Evaluation, shall establish a clearinghouse for the consolidation and coordination of all Federal data bases and reports regarding children's health.

SUMMARY OF THE CHIP DATA AND EVALUATION IMPROVEMENT ACT OF 1999

PURPOSE

In 1997, 10.7 million children were uninsured. The new State Children's Health Insurance Program (CHIP) and existing state Medicaid programs are intended to provide coverage for low-income children. The crucial question is whether the number of uninsured children has been reduced. Improved state-specific data is needed to provide that information. In addition, the Federal government should evaluate the effectiveness of these programs in finding and enrolling children in health insurance.

PROPOSAL

State-by-state Uninsured Counts and Children's Health Care Access and Utilization. (1) Provide funds ($10 million annually) to the Census Bureau to make appropriate adjustments to the Current Population Survey (CPS) so that the CPS can provide reliable state-by-state data on uninsured children. (2) Provide funds ($9 million annually) to the National Center for Health Statistics to conduct the Children's Health portion of the State and Local Area Integrated Telephone Survey (SLAITS) in order to produce reliable state-by-state date on the health care access and utilization for low-income children covered by various insurance programs such as Medicaid and CHIP.

Federal Evaluation. With funding ($10 million), the Secretary of Health and Human Services would submit to Congress a Federal evaluation report that would include 10 states representing varying geographic, rural/urban, with various program designs. The evaluation would include more specific and comparable evaluation elements than are already included under Title XXI, such as including surveys of the target population (enrollees and other eligibles). The study would evaluate outreach and enrollment practices (for both CHIP and Medicaid), identify barriers to enrollment, assess states' Medicaid and CHIP program coordination, assess the effect of cost sharing on enrollment and coverage retention, and identify the reasons for disenrollment/retention.

Standardized Reporting. States would submit standardized data to the Secretary, including enrollee counts disaggregated by income (below 100%), race/ethnicity, and age. If

income could not be submitted in a standard form, the state would submit a detailed description of eligibility methodologies that outline relevant income disregards. States would also submit percentages of individuals screened that are enrolled in CHIP and in Medicaid, and the percent screened eligible for Medicaid but not enrolled.

Administrative Spending Reports for Title XXI. States would submit standardized spending reports for the following administrative costs: data systems, outreach efforts and program operation (eligibility/enrollment, etc.)

Coordinate CHIP Data with Title V Data Requirements. Existing reporting requirements for the Maternal and Child Health Block Grant provide data based on children's health insurance, including Medicaid. This bill would include the CHIP program in its reporting.

IG Audit and GAO Report. The Inspector General for the Department of Health and Human Services would audit CHIP enrollee data to identify children who are actually eligible for Medicaid. The General Accounting Office will report the results to Congress.

Coordination of all Children Data and Reports. The Assistant Secretary of Planning and Evaluation in the Department of Health and Human Services would consolidate all federal data base information and reports on children's health in a clearinghouse.

By Mr. MOYNIHAN:

S. 207. A bill to amend title V of the Social Security Act to increase the authorization of appropriations for the maternal and child health services block grant and to promote integrated physical and specialized mental health services for children and adolescents; to the Committee on Finance.

THE MATERNAL CHILD HEALTH BLOCK GRANT AUTHORIZATION

Mr. MOYNIHAN. Mr. President, in November 1998, Essence Magazine reported that between 1980 and 1995 the suicide rate among Black males ages 10 to 19 more than doubled. According to a Centers for Disease Control and Prevention (CDC) study, suicide is now the third leading cause of death among all youth aged 15–19, and the fourth leading cause of death among children aged 10–14 nationally. In many states the problem is even worse. For example, suicide is the number one killer of adolescents 15–19 years old in Alaska and of children 10 to 14 years old in Oregon. The majority of children and adolescents at risk for suicidal behavior are not seen by mental health specialists; therefore, primary health care providers and others in regular contact with young people must be available to respond to these troubled youngsters.

The legislation introduced today proposes to focus on seriously emotionally disabled children and adolescents and their families. Adolescents with special health needs, those experiencing chronic physical, developmental, behavioral, or serious emotional problems and requiring additional health and related services such as assistance in moving from pediatric to adult health care, to post-secondary education and employment will be helped by this bill. The Maternal and Child Health Bureau (MCHB) located within the Department of Health and Human Services is best situated to implement this program.

The Maternal and Child Health Bureau (MCHB) has roots that go back more than 80 years—to the creation of the Children's Bureau in 1912. This was the first government agency to act as an advocate for mothers, children, and adolescents. The Maternal and Child Health Services Block Grant, the bureau's principle statutory responsibility, was originally enacted in 1935 as Title V of the Social Security Act. The MCHB is charged with providing leadership, partnership, and resources to advance the health of all mothers, infants, children, and adolescents—including families with low income, those with diverse racial and ethnic heritages, those with special health care needs, and those living in rural or isolated areas without access to care.

Title V encompasses a program of grants to the states and two federal discretionary grant programs: Special Projects of Regional and National Significance (SPRANS) and Community Integrated Service Systems (CISS). Funds are used to support research, training, newborn screening, maternal and child health improvements. CISS is only funded when the Title V annual appropriation exceeds $600 million) which occurred for the first time in 1992. The CISS program provides direct support to public and private groups committed to building integrated health delivery systems that provide comprehensive services in local communities. Most importantly, the State Title V programs are required to coordinate with other related Federal health, education, and social service programs. For example, MCH programs have provided the technical expertise and the service delivery systems to ensure that expanded Medicaid eligibility and benefits result in improved access to services and improved health status of pregnant women and children.

The federal Title V mandate places a unique responsibility on state MCH agencies to assure that children with special health care needs are identified and receive the care they need. State programs are required to develop family-centered, community-based, coordinated care systems for children with special health care needs. Services for these children are most often provided through specialty clinics and through purchase of private office or hospital-based outpatient and inpatient diagnostic, treatment, and follow up services. Three-fourths of the State MCH programs have supported local ''one-stop shopping'' models integrating access to Title V, Medicaid, the WIC food program, and other health or social services at one site. In New York, MCH helps to fund or operate regional pediatric resource centers for children with special needs.

These centers offer multidisciplinary team care, family support and service coordination and they are beginning to integrate this approach into private practice settings where children are now receiving their specialty medical care. Yet, even though these programs have had encouraging results, most states' health care systems are unable to address all the needs of these vulnerable children—and adolescent youth with special health needs are particularly at risk. And that is why this legislation is so important. Under current law, Title V is permanently authorized at $705 million. It was last extended in FY 1993 to conform to funding levels that went beyond the prior authorization level. This legislation would increase the current MCH Block Grant authorization level from $705 million to $840 million in FY 2000.

Health care information and education for families with special health care needs is critical to the success of any integrated physical and mental health service program. The MCHB has begun family support efforts for families of children with special health care needs, and has a promising pilot program to build a national network of statewide family-run support services in FY 1999. The additional funding in this bill is intended to expand upon these family support efforts. With increased funding for the MCH Block Grant, SPRANS and CISS programs, the MCH Bureau will be well-positioned to collaborate successfully with other Federal and State partners to address this new project focus.

I ask unanimous consent that the full text of the bill be inserted in the RECORD.

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

S. 207

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

SECTION 1. AMENDMENTS TO THE MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking ''$705,000,000 for fiscal year 1994'' and inserting ''$840,000,000 for fiscal year 2000''.

(b) PROMOTION OF INTEGRATED PHYSICAL AND SPECIALIZED MENTAL HEALTH SERVICES.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended—

(1) in paragraph (2)—

(A) by striking ''and for'' and inserting ''for''; and

(B) by inserting '', and for the promotion of integrated physical and specialized mental health services for children and adolescents'' before the semicolon; and

(2) in paragraph (3)—

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

(B) in subparagraph (F), by striking the period and inserting '', and''; and

(C) by adding at the end the following:

''(G) integrated physical and specialized mental health services for children and adolescents.''.

By Mr. MOYNIHAN:

S. 208. A bill to enhance family life; to the Committee on Finance.

THE ENHANCING FAMILY LIFE ACT OF 1999

Mr. MOYNIHAN. Mr. President, I rise today to introduce the Enhancing Family Life Act of 1999, a bill inspired by an extraordinary set of proposals by one of our nation's most eminent social scientists, Professor James Q. Wilson. On December 4, 1997, I had the honor of hearing Professor Wilson—who is an old and dear friend—deliver the Francis Boyer Lecture at the American Enterprise Institute (AEI). The Boyer Lecture is delivered at AEI's annual dinner by a thinker who has ''made notable intellectual or practical contributions to improved public policy and social welfare.'' Previous Boyer lecturers have included Irving Kristol, Alan Greenspan, and Henry Kissinger. In his lecture, Professor Wilson argued that ''two nations'' now exist within the United States. He said:

> In one nation, a child, raised by two parents, acquires an education, a job, a spouse, and a home kept separate from crime and disorder by distance, fences, or guards. In the other nation, a child is raised by an unwed girl, lives in a neighborhood filled with many sexual men but few committed fathers, and finds gang life to be necessary for self-protection and valuable for self-advancement.

Sadly, this is an all-too-accurate portrait of the American underclass, the problems of which have been the focus of decades of unsuccessful welfare reform and crime control efforts. We have tried a great many ''solutions,'' as Professor Wilson notes:

> Congress has devised community action, built public housing, created a Job Corps, distributed Food Stamps, given federal funds to low-income schools, supported job training, and provided cash grants to working families.

Yet still we are faced with two nations. Professor Wilson explains why: ''[t]he family problem lies at the heart of the emergence of two nations.'' He notes that as our families become weaker—as more and more American children are born outside of marriage and raised by one, not two, parents—the foundation of our society becomes weaker. This deterioration helps to explain why, as reported by the Census Bureau today, the poverty rate for American children is almost twice that for adults aged 18 to 64 (19.9 percent for children versus 10.9 percent for adults). And it grows increasingly difficult for government to address the problems of that ''second nation.'' Professor Wilson even quotes the Senator from New York to this effect: ''If you expect a government program to change families, you know more about government than I do.''

Even so, Jim Wilson, quite characteristically, has fresh ideas about what might help. On the basis of recent scholarly research, and common sense, he urged in the Boyer Lecture that we refocus our attention on the vital period of early childhood. I was so impressed with his Lecture that afterward I set about writing a bill to put his recommendations into effect.

The Enhancing Family Life Act of 1999 contains four key elements, all of which are related to families. First, it supports ''second change'' maternity homes for unwed teenage mothers. These are group homes where young women would live with their children under strict adult supervision and have the support necessary to become productive members of society. The bill provides $45 million a year to create such homes or expand existing ones.

Second, it promotes adoption. The bill expands the number of children in foster care eligible for federal adoption incentives. Too many children drift in foster care; we should do more to find them permanent homes. The bill also encourages states to experiment with ''per capita'' approaches to finding these permanent homes for foster children, a strategy Kansas has used with success.

Third, it funds collaborative early childhood development programs. Recent research has reminded us of the critical importance of the first few years of a child's life. States would have great flexibility in the use of these funds; for example, the money could be used for pre-school programs for poor children or home visits of parents of young children. It provides $3.75 billion over five years for this purpose.

Finally, the legislation creates a new education assistance program to enable more parents to remain home with young children. A parent who temporarily leaves the workforce to raise a child would be eligible for an educational grant, similar to the Pell Grant, to help parent enter, or reenter, the labor market with skills and credentials necessary for success in today's economy once the child is older.

Mr. President, this bill is a starting point. It is what Professor James Q. Wilson and I believe just might make a difference. We would certainly welcome the comments of others. I first introduced this legislation last September and have received several helpful suggestions. I look forward to further such conversations and comments.

And I would commend to the attention of Senators and other interested persons the full text of Professor Wilson's lecture ''Two Nations,'' which is available from my office or from the American Enterprise Institute. I ask unanimous consent that a summary of the legislation and the full text of the bill be included in the RECORD.

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

S. 208

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 ''Enhancing Family Life Act of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—ASSISTANCE FOR CHILDREN

Sec. 101. Second chance homes.
Sec. 102. Adoption promotion.
Sec. 103. Early childhood development.

TITLE II—PARENT GRANTS

Sec. 201. Parent grants.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The family is the foundation of public life.

(2) The proportion of illegitimate births to teenagers has increased astronomically from 13 percent of such births in 1950 to 76 percent of such births in 1996.

(3) Children in one-parent families are more at risk for many types of anti-social behavior.

(4) The future of children is crucially determined during the first few years of life.

TITLE I—ASSISTANCE FOR CHILDREN

SEC. 101. SECOND CHANCE HOMES.

(a) IN GENERAL.—Title XX of the Social Security Act (42 U.S.C. 1397–1397f) is amended by adding at the end the following:

''SEC. 2008. SECOND CHANCE HOMES.

''(a) ENTITLEMENT.—

''(1) IN GENERAL.—In addition to any payment under sections 2002 and 2007, beginning with fiscal year 2000, each State shall be entitled to funds under this section for each fiscal year for the establishment, operation, and support of second chance homes for custodial parents under the age of 19 and their children.

''(2) PAYMENT TO STATES.—

''(A) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment (determined in accordance with subsection (b)) for such fiscal year, to be used by such State for the purposes set forth in paragraph (1).

''(B) TRANSFERS OF FUNDS.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this section.

''(C) USE.—Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

''(D) TECHNICAL ASSISTANCE.—A State may use a portion of the amounts described in subparagraph (A) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering the program funded under this section.

''(3) SECOND CHANCE HOMES.—For purposes of this section, the term 'second chance homes' means an entity that provides custodial parents under the age of 19 and their children with a supportive and supervised living arrangement in which such parents would be required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children. A second chance home may also serve

as a network center for other supportive services that might be available in the community.

''(b) ALLOTMENT.—

''(1) CERTAIN JURISDICTIONS.—The allotment for any fiscal year to Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount that bears the same ratio to the amount specified under paragraph (3) as the allotment that the jurisdiction receives under section 2003(a) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

''(2) OTHER STATES.—The allotment for any fiscal year for each State other than Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

''(A) the amount specified under paragraph (3); reduced by

''(B) the total amount allotted for that fiscal year under paragraph (1),

as the allotment that the State receives under section 2003(b) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

''(3) AMOUNT SPECIFIED.—The amount specified for purposes of paragraphs (1) and (2) shall be $40,000,000 for fiscal year 2000 and each succeeding fiscal year thereafter.

''(c) LOCAL INVOLVEMENT.—Each State shall seek local involvement from the community in any area in which a second chance home receiving funds pursuant to this section is to be established. In determining criteria for targeting funds received under this section, each State shall evaluate the community's commitment to the establishment and planning of the home.

''(d) LIMITATIONS ON THE USE OF FUNDS.—

''(1) CONSTRUCTION.—Except as provided in paragraph (2), funds made available under this section may not be used by the State, or any other person with which the State makes arrangements to carry out the purposes of this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility.

''(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon the State's request for such a waiver if the Secretary finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this section.

''(e) TREATMENT OF INDIAN TRIBES.—

''(1) IN GENERAL.—An Indian tribe may apply to the Secretary to establish, operate, and support adult-supervised group homes for custodial parents under the age of 19 and their children in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

''(2) ALLOTMENT.—If the Secretary approves an Indian tribe's application, the Secretary shall allot to such tribe for a fiscal year an amount which the Secretary determines is the Indian tribe's fair and equitable share of the amount specified under paragraph (3) for all Indian tribes with applications approved under this subsection (based on allotment factors to be determined by the Secretary). The Secretary shall determine a minimum allotment amount for all Indian tribes with applications approved under this subsection. Each Indian tribe with an application approved under this subsection shall be entitled to such minimum allotment.

''(3) AMOUNT SPECIFIED.—The amount specified under this paragraph for all Indian tribes with applications approved under this subsection is $5,000,000 for fiscal year 2000 and each succeeding fiscal year thereafter.

''(4) INDIAN TRIBE DEFINED.—In this section, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

''(f) RESEARCH AND EVALUATION.—

''(1) IN GENERAL.—The amount appropriated to carry out this section for each fiscal year shall be increased by 2 percent and the Secretary shall reserve an amount equal to that increase to pay for the costs of conducting, through grant, contract, or interagency agreement, research and evaluation projects regarding the second chance homes funded under this section. In conducting such projects, the Secretary shall give priority to projects that are undertaken by independent and impartial organizations.

''(2) REPORT.—Not later than 4 years after the date of enactment of this section, the Secretary shall submit a report to Congress on the research and evaluation projects conducted in accordance with this subsection.''.

(b) RECOMMENDATIONS ON USE OF GOVERNMENT SURPLUS PROPERTY.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services, after consultation with the Secretary of Defense, the Secretary of Housing and Urban Development, and the Administrator of the General Services Administration, shall submit recommendations to Congress on the extent to which surplus properties of the United States Government may be used for the establishment of second chance homes receiving funds under section 2008 of the Social Security Act, as added by subsection (a).

SEC. 102. ADOPTION PROMOTION.

(a) ADOPTION OF CHILDREN WITH SPECIAL NEEDS.—

(1) IN GENERAL.—Section 473(a) of the Social Security Act (42 U.S.C. 673(a)) is amended by striking paragraph (2) and inserting the following:

''(2)(A) For purposes of paragraph (1)(B)(ii), a child meets the requirements of this paragraph if such child—

''(i) prior to termination of parental rights and the initiation of adoption proceedings was in the care of a public or licensed private child care agency or Indian tribal organization either pursuant to a voluntary placement agreement (provided the child was in care for not more than 180 days) or as a result of a judicial determination to the effect that continuation in the home would be contrary to the safety and welfare of such child, or was residing in a foster family home or child care institution with the child's minor parent (either pursuant to such a voluntary placement agreement or as a result of such a judicial determination); and

''(ii) has been determined by the State pursuant to subsection (c) to be a child with special needs, which needs shall be considered by the State, together with the circumstances of the adopting parents, in determining the amount of any payments to be made to the adopting parents.

''(B) Notwithstanding any other provision of law, and except as provided in paragraph (7), a child who is not a citizen or resident of the United States and who meets the requirements of subparagraph (A) shall be treated as meeting the requirements of this paragraph for purposes of paragraph (1)(B)(ii).

''(C) A child who meets the requirements of subparagraph (A), who was determined eligible for adoption assistance payments under this part with respect to a prior adoption (or who would have been determined eligible for such payments had the Adoption and Safe Families Act of 1997 been in effect at the time that such determination would have been made), and who is available for adoption because the prior adoption has been dissolved and the parental rights of the adoptive parents have been terminated or because the child's adoptive parents have died, shall be treated as meeting the requirements of this paragraph for purposes of paragraph (1)(B)(ii).''.

(2) EXCEPTION.—Section 473(a) of the Social Security Act (42 U.S.C. 673(a)) is amended by adding at the end the following:

''(7)(A) Notwithstanding any other provision of this subsection, no payment may be made to parents with respect to any child that—

''(i) would be considered a child with special needs under subsection (c);

''(ii) is not a citizen or resident of the United States; and

''(iii) was adopted outside of the United States or was brought into the United States for the purpose of being adopted.

''(B) Subparagraph (A) shall not be construed as prohibiting payments under this part for a child described in subparagraph (A) that is placed in foster care subsequent to the failure, as determined by the State, of the initial adoption of such child by the parents described in such subparagraph.''.

(3) REQUIREMENT FOR USE OF STATE SAVINGS.—Section 473(a) of the Social Security Act (42 U.S.C. 673(a)), as amended by subsection (b), is amended by adding at the end the following:

''(8) A State shall spend an amount equal to the amount of savings (if any) in State expenditures under this part resulting from the application of paragraph (2) on and after the effective date of the amendment to such paragraph made by section 4(a) of the Enhancing Family Life Act of 1999 to provide to children or families any service (including post-adoption services) that may be provided under this part or part B.''.

(b) PER CAPITA CHILD WELFARE DEMONSTRATION PROJECTS.—Section 1130(a)(2) of the Social Security Act (42 U.S.C. 1320a–9(a)(2)) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(A) IN GENERAL.—The Secretary''; and

(2) by adding at the end the following:

''(B) RESERVATION.—Of the 10 demonstration projects authorized under this subsection for each of fiscal years 2000 through 2002, the Secretary, upon receipt of an appropriate application, shall approve at least 3 demonstration projects in each of such fiscal years that are designed to test a per capita approach for the successful resolution of a foster care placement under which a private entity contracts for a fixed amount to either restore a child in foster care to the child's parent or parents or locate an adoptive placement for the child.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

SEC. 103. EARLY CHILDHOOD DEVELOPMENT.

Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end the following:

"PART F—ASSISTANCE FOR YOUNG CHILDREN

"SEC. 480. DEFINITIONS.

''In this part:

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(2) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

''(3) STATE BOARD.—The term 'State board' means a State Early Learning Coordinating Board established under section 481(c).

''(4) YOUNG CHILD.—The term 'young child' means an individual from birth through age 5.

''(5) YOUNG CHILD ASSISTANCE ACTIVITIES.—The term 'young child assistance activities' means the activities described in paragraphs (1) and (2)(A) of section 482(b).

"SEC. 481. ALLOTMENTS TO STATES.

''(a) IN GENERAL.—The Secretary shall make allotments under subsection (b) to eligible States to pay for the Federal share of the cost of enabling the States to make grants to local collaboratives under section 482 for young child assistance activities.

''(b) ALLOTMENT.—

''(1) IN GENERAL.—From the funds appropriated under section 484 for each fiscal year and not reserved under subsection (i), the Secretary shall allot to each eligible State an amount that bears the same relationship to such funds as the total number of young children in poverty in the State bears to the total number of young children in poverty in all eligible States.

''(2) YOUNG CHILD IN POVERTY.—In this subsection, the term 'young child in poverty' means an individual who—

''(A) is a young child; and

''(B) is a member of a family with an income below the poverty line.

''(c) STATE BOARDS.—

''(1) IN GENERAL.—In order for a State to be eligible to obtain an allotment under this part, the chief executive officer of the State shall establish, or designate an entity to serve as, a State Early Learning Coordinating Board, which shall receive the allotment and make the grants described in section 482.

''(2) ESTABLISHED BOARD.—A State board established under paragraph (1) shall consist of the chief executive officer of the State and members appointed by such chief executive officer, including—

''(A) representatives of all State agencies primarily providing services to young children in the State;

''(B) representatives of business in the State;

''(C) chief executive officers of political subdivisions in the State;

''(D) parents of young children in the State;

''(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the State;

''(F) representatives of State nonprofit organizations that represent the interests of young children in poverty, as defined in subsection (b), in the State;

''(G) representatives of organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.), providing services through a family resource center, providing home visits, or providing health care services, in the State; and

''(H) representatives of local educational agencies.

''(3) DESIGNATED BOARD.—The chief executive officer of the State may designate an entity to serve as the State board under paragraph (1) if the entity includes the chief executive officer of the State and the members described in subparagraphs (A) through (G) of paragraph (2).

''(4) DESIGNATED STATE AGENCY.—The chief executive officer of the State shall designate a State agency that has a representative on the State board to provide administrative oversight concerning the use of funds made available under this part and ensure accountability for the funds.

''(d) APPLICATION.—To be eligible to receive an allotment under this part, a State board shall annually submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. At a minimum, the application shall contain—

''(1) sufficient information about the entity established or designated under subsection (c) to serve as the State board to enable the Secretary to determine whether the entity complies with the requirements of such subsection;

''(2) a comprehensive State plan for carrying out young child assistance activities;

''(3) an assurance that the State board will provide such information as the Secretary shall by regulation require on the amount of State and local public funds expended in the State to provide services for young children; and

''(4) an assurance that the State board shall annually compile and submit to the Secretary information from the reports referred to in section 482(d)(2)(F)(iii) that describes the results referred to in section 482(d)(2)(F)(i).

''(e) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of the cost described in subsection (a) shall be—

''(A) 85 percent, in the case of a State for which the Federal medical assistance percentage (as defined in section 1905(b)) is not less than 50 percent but is less than 60 percent;

''(B) 87.5 percent, in the case of a State for which such percentage is not less than 60 percent but is less than 70 percent; and

''(C) 90 percent, in the case of any State not described in subparagraph (A) or (B).

''(2) STATE SHARE.—

''(A) IN GENERAL.—The State shall contribute the remaining share (referred to in this paragraph as the 'State share') of the cost described in subsection (a).

''(B) FORM.—The State share of the cost shall be in cash.

''(C) SOURCES.—The State may provide for the State share of the cost from State or local sources, or through donations from private entities.

''(f) STATE ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—A State may use not more than 5 percent of the funds made available through an allotment made under this part to pay for a portion, not to exceed 50 percent, of State administrative costs related to carrying out this part.

''(2) WAIVER.—A State may apply to the Secretary for a waiver of paragraph (1). The Secretary may grant the waiver if the Secretary finds that unusual circumstances prevent the State from complying with paragraph (1). A State that receives such a waiver may use not more than 7.5 percent of the funds made available through the allotment to pay for the State administrative costs.

''(g) MONITORING.—The Secretary shall monitor the activities of States that receive allotments under this part to ensure compliance with the requirements of this part, including compliance with the State plans.

''(h) ENFORCEMENT.—If the Secretary determines that a State that has received an allotment under this part is not complying with a requirement of this part, the Secretary may—

''(1) provide technical assistance to the State to improve the ability of the State to comply with the requirement;

''(2) reduce, by not less than 5 percent, an allotment made to the State under this section, for the second determination of noncompliance;

''(3) reduce, by not less than 25 percent, an allotment made to the State under this section, for the third determination of noncompliance; or

''(4) revoke the eligibility of the State to receive allotments under this section, for the fourth or subsequent determination of noncompliance.

''(i) RESERVATION OF FUNDS.—

''(1) TECHNICAL ASSISTANCE.—From the funds appropriated under section 484 for each fiscal year, the Secretary shall reserve not more than 1 percent of the funds to pay for the costs of providing technical assistance. The Secretary shall use the reserved funds to enter into contracts with eligible entities to provide technical assistance to local collaboratives that receive grants under section 482 relating to the functions of the local collaboratives under this part.

''(2) RESEARCH AND EVALUATION.—

''(A) IN GENERAL.—From the funds appropriated under section 484 for each fiscal year, the Secretary shall reserve 2 percent of the funds to pay for the costs of conducting, through grant, contract, or interagency agreement, research and evaluation projects regarding the young child assistance activities funded with amounts made available in accordance with the requirements of this part. In conducting such projects, the Secretary shall give priority to projects that are undertaken by independent and impartial organizations.

''(B) REPORT.—Not later than 4 years after the date of enactment of this part, the Secretary shall submit a report to Congress on the research and evaluation projects conducted in accordance with this paragraph.

"SEC. 482. GRANTS TO LOCAL COLLABORATIVES.

''(a) IN GENERAL.—A State board that receives an allotment under section 481 shall use the funds made available through the allotment, and the State contribution made under section 481(e)(2), to pay for the Federal and State shares of the cost of making grants, on a competitive basis, to local collaboratives to carry out young child assistance activities.

''(b) USE OF FUNDS.—A local collaborative that receives a grant made under subsection (a)—

''(1) shall use funds made available through the grant to provide, in a community, activities that consist of education and supportive services, such as—

''(A) home visits for parents of young children;

''(B) services provided through community-based family resource centers for such parents; and

''(C) collaborative pre-school efforts that link parenting education for such parents to early childhood learning services for young children; and

''(2) may use funds made available through the grant—

''(A) to provide, in the community, activities that consist of—

''(i) activities designed to strengthen the quality of child care for young children and expand the supply of high quality child care services for young children;

''(ii) health care services for young children, including increasing the level of immunization for young children in the community, providing preventive health care screening and education, and expanding health care services in schools, child care facilities, clinics in public housing projects (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), and mobile dental and vision clinics;

''(iii) services for children with disabilities who are young children; and

''(iv) activities designed to assist schools in providing educational and other support services to young children, and parents of young children, in the community, to be carried out during extended hours when appropriate; and

''(B) to pay for the salary and expenses of the administrator described in subsection (e)(4), in accordance with such regulations as the Secretary shall prescribe.

''(c) MULTI-YEAR FUNDING.—In making grants under this section, a State board may make grants for grant periods of more than 1 year to local collaboratives with demonstrated success in carrying out young child assistance activities.

''(d) LOCAL COLLABORATIVES.—To be eligible to receive a grant under this section for a community, a local collaborative shall demonstrate that the collaborative—

''(1) is able to provide, through a coordinated effort, young child assistance activities to young children, and parents of young children, in the community; and

''(2) includes—

''(A) all public agencies primarily providing services to young children in the community;

''(B) businesses in the community;

''(C) representatives of the local government for the county or other political subdivision in which the community is located;

''(D) parents of young children in the community;

''(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the community;

''(F) community-based organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs, or providing pre-kindergarten education, mental health, or family support services; and

''(G) nonprofit organizations that serve the community and that are described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

''(e) APPLICATION.—To be eligible to receive a grant under this section, a local collaborative shall submit an application to the State board at such time, in such manner, and containing such information as the State board may require. At a minimum, the application shall contain—

''(1) sufficient information about the entity described in subsection (d)(2) to enable the State board to determine whether the entity complies with the requirements of such subsection; and

''(2) a comprehensive plan for carrying out young child assistance activities in the community, including information indicating—

''(A) the young child assistance activities available in the community, as of the date of submission of the plan, including information on efforts to coordinate the activities;

''(B) the unmet needs of young children, and parents of young children, in the community for young child assistance activities;

''(C) the manner in which funds made available through the grant will be used—

''(i) to meet the needs, including expanding and strengthening the activities described in subparagraph (A) and establishing additional young child assistance activities; and

''(ii) to improve results for young children in the community;

''(D) how the local cooperative will use at least 60 percent of the funds made available through the grant to provide young child assistance activities to young children and parents described in subsection (f);

''(E) the comprehensive methods that the collaborative will use to ensure that—

''(i) each entity carrying out young child assistance activities through the collaborative will coordinate the activities with such activities carried out by other entities through the collaborative; and

''(ii) the local collaborative will coordinate the activities of the local collaborative with—

''(I) other services provided to young children, and the parents of young children, in the community; and

''(II) the activities of other local collaboratives serving young children and families in the community, if any; and

''(F) the manner in which the collaborative will, at such intervals as the State board may require, submit information to the State board to enable the State board to carry out monitoring under section 481(g), including the manner in which the collaborative will—

''(i) evaluate the results achieved by the collaborative for young children and parents of young children through activities carried out through the grant;

''(ii) evaluate how services can be more effectively delivered to young children and the parents of young children; and

''(iii) prepare and submit to the State board annual reports describing the results;

''(3) an assurance that the local collaborative will comply with the requirements of subparagraphs (D), (E), and (F) of paragraph (2), and subsection (g); and

''(4) an assurance that the local collaborative will hire an administrator to oversee the provision of the activities described in paragraphs (1) and (2)(A) of subsection (b).

''(f) DISTRIBUTION.—In making grants under this section, the State board shall ensure that at least 60 percent of the funds made available through each grant are used to provide the young child assistance activities to young children (and parents of young children) who reside in school districts in which half or more of the students receive free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.).

''(g) LOCAL SHARE.—

''(1) IN GENERAL.—The local collaborative shall contribute a percentage (referred to in this subsection as the 'local share') of the cost of carrying out the young child assistance activities.

''(2) PERCENTAGE.—The Secretary shall by regulation specify the percentage referred to in paragraph (1).

''(3) FORM.—The local share of the cost shall be in cash.

''(4) SOURCE.—The local collaborative shall provide for the local share of the cost through donations from private entities.

''(5) WAIVER.—The State board shall waive the requirement of paragraph (1) for poor rural and urban areas, as defined by the Secretary.

''(h) MONITORING.—The State board shall monitor the activities of local collaboratives that receive grants under this part to ensure compliance with the requirements of this part.

''SEC. 483. SUPPLEMENT NOT SUPPLANT.

''Funds appropriated under this part shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services for young children.

''SEC. 484. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part—

''(1) $250,000,000 for fiscal year 2000;

''(2) $500,000,000 for fiscal year 2001;

''(3) $1,000,000,000 for each of fiscal years 2002 through 2004; and

''(4) such sums as may be necessary for fiscal year 2005 and each subsequent fiscal year.''.

TITLE II—PARENT GRANTS

SEC. 201. PARENT GRANTS.

(a) PURPOSE.—It is the purpose of this section to provide parents with grants for career development and retraining after a period of child rearing.

(b) PROGRAM AUTHORITY AND METHOD OF DISTRIBUTION.—

(1) IN GENERAL.—From amounts appropriated under subsection (f), the Secretary of Education (in this section referred to as the ''Secretary'') may pay to each eligible institution such sums as may be necessary to pay to each qualifying parent for each academic year that the qualifying parent is in attendance at an institution of higher education, a parent grant, in an amount determined in accordance with subsection (c), for each child for which the qualifying parent remains outside the labor force.

(2) QUALIFYING PARENT.—In this section, the term ''qualifying parent'' means an individual who—

(A) is the custodial parent of a child under the age of 6;

(B) has no earned income as defined in section 32(c)(2) of the Internal Revenue Code of 1986; and

(C) is not receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

(3) DISTRIBUTION.—Funds under this section shall be disbursed and made available to qualifying parents in the same manner as Federal Pell Grants are disbursed and made available to institutions of higher education and students under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.), except that in the case of a parent grant awarded to a qualifying parent for expenses incurred in obtaining a secondary school diploma or its recognized equivalent, the Secretary shall make the grant funds available to the qualifying parent.

(c) AMOUNT.—

(1) IN GENERAL.—Subject to paragraph (2), the amount of a parent grant for which a qualifying parent is eligible under this section for an academic year is equal to—

(A) in the case of a qualifying parent with an annual income of $50,000 or less, the maximum amount of the Federal Pell Grant awarded under subpart 1 of part A of title IV of the Higher Education Act of 1965 for such year; and

(B) in the case of a qualifying parent with an annual income of more than $50,000 but not more than $75,000, ½ of the maximum amount of the Federal Pell Grant so awarded for such year.

(2) SPECIAL RULES.—

(A) CALENDAR YEAR AWARDS.—A qualifying parent is eligible for a parent grant under this section for each complete calendar year the parent is outside the labor force, except that the Secretary shall prorate the amount for which the qualifying parent is eligible for the first year in which a child is born if the qualifying parent is outside the labor force for at least 4 months of the calendar year in which the child is born.

(B) SIMULTANEOUS AWARDS.—A qualifying parent is eligible for a parent grant simultaneously for each child for which the parent remains outside the labor force.

(C) LIMITATION.—The Secretary shall not award a qualifying parent a parent grant for any period the parent remains outside the labor force to pursue education with a parent grant awarded under this section.

(d) USES.—

(1) IN GENERAL.—A parent grant awarded under this section—

(A) shall be used not later than 15 years after the year for which the grant is awarded; and

(B) shall be used to pay—

(i) the cost of attendance (as determined in accordance with section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll)) at an institution of higher education (as defined in section 481 of such Act (20 U.S.C. 1088)); or

(ii) for expenses incurred in obtaining a secondary school diploma or its recognized equivalent.

(2) AGGREGATION OF AWARDS.—A qualifying parent may aggregate parent grants awarded for more than 1 year or more than 1 child for use in a single academic year.

(3) ROLLOVER.—A qualifying parent may use any grant funds awarded for an academic year that are not used in the academic year, for use in a subsequent academic year, subject to paragraph (1)(A).

(e) RESEARCH AND EVALUATION.—

(1) IN GENERAL.—From the amounts appropriated to carry out this section for each fiscal year, the Secretary shall reserve 2 percent of such amounts to pay for the costs of conducting, through grant, contract, or interagency agreement, research and evaluation projects regarding the parent grants awarded in accordance with the requirements of this section. In conducting such projects, the Secretary shall give priority to projects that are undertaken by independent and impartial organizations.

(2) REPORT.—Not later than 4 years after the date of enactment of this section, the Secretary shall submit a report to Congress on the research and evaluation projects conducted in accordance with this subsection.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2000 and each succeeding fiscal year.

THE ENHANCING FAMILY LIFE ACT OF 1999—BRIEF DESCRIPTION OF PROVISIONS

(Based on the 1997 Francis Boyer Lecture by Professor James Q. Wilson)

SECTION 1. SHORT TITLE

This Act may be cited as the ''Enhancing Family Life Act of 1999.''

SECTION 2. FINDINGS

The Congressional findings support the importance of families in society and social policy.

TITLE I—ASSISTANCE FOR CHILDREN

SECTION 101. ''SECOND CHANCE HOMES''

The bill would provide $45 million annually to establish or expand ''second chance'' maternity homes for unwed teenage mothers. These are group homes where mothers live with their children under adult supervision and strict rules while learning good parenting skills.

SECTION 102. ADOPTION PROMOTION

The bill would expand the number of ''special needs'' children in foster care for which federal adoption subsidies are available. It ''de-links'' eligibility for these subsidies from the income level of the foster child's biological parents. (Under current law, a foster child determined to have special needs only qualifies for a federal adoption subsidy if the child's birth parents are welfare-eligible.) The subsidies would help adoptive parents meet the particular emotional and physical challenges of troubled children and so they can provide the children permanent homes.

In addition, last year's ''Adoption and Safe Families Act'' authorizes the Department of Health and Human Services to grant child welfare demonstration waivers to ten states each year. The bill would reserve three of each ten waivers to states wishing to test ''per capita'' approaches to finding permanent homes for children in foster care, as Kansas has done. Under a per capita approach, states or localities contract on a fixed sum basis with agencies to reunite foster children with their biological families or place them with adoptive parents. Because the agency, typically a non-profit social service agency, receives a fixed sum per child (rather than unlimited reimbursement of costs) the agency may settle the child in a permanent home more quickly.

SECTION 103. EARLY CHILDHOOD DEVELOPMENT

The bill provides $3.75 billion over five years for collaborative early childhood development programs. Recent research has demonstrated the importance of the earliest years in a child's life in the child's intellectual and emotional development. States could use the funds for home visiting programs, parenting education, high-quality child care, and preventive health services. States would have great flexibility in deciding which services to provide.

SECTION II—''PARENT GRANTS''

The bill would create a new education assistance program to provide grants to parents who choose to remain with young children. The grants would allow parents to obtain the training, or re-training, needed to prosper and advance careers after a period of time outside the labor force. A custodial parent with children under the age of six and no earned income, welfare, or SSI receipt would be eligible to receive a benefit equivalent to the largest Pell Grant available for that year (about $2,700 in FY 1998). The benefit—to be called a ''Parent Grant''—could only be used for expenses associated with post-secondary education or completion of high school. Parents could accumulate grants (one for each year outside of the labor market) but would be required to use the grant within 15 years of the year for which the grant was earned. Eligibility would be subjected to income limits ($75,000/year maximum, subject to revision on the basis of cost estimates). The program would be administered by the Education Department, in parallel with Pell Grants and other financial aid programs.

By Mr. MOYNIHAN:

S. 209. A bill to prohibit States from imposing a family cap under the program of temporary assistance to needy families; to the Committee on Finance.

LEGISLATION TO PROHIBIT THE FAMILY CAP

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to prohibit States from imposing the so-called ''family cap'' as part of their Temporary Assistance to Needy Families (TANF) programs. The ''family cap'' is a policy under which a child born to a poor family on assistance is simply ignored when calculating the family's benefit—as if the child, this new infant, did not exist and had no needs. More than 20 states have imposed some version of this cap as part of their TANF programs.

As I have said in previous debate on this subject, these children have not asked to be conceived, and they have not asked to come into the world. We have an elemental responsibility to them. And so states ought not deny benefits to these children because of the actions of their parents.

We recently received the results of an evaluation of welfare reform in New Jersey, the first state to impose such a ''family cap.'' As it is only one study, one should be cautious about generalizing from the results. Still, it was striking to note according to the study, that over the four-year observation period ''[m]embers of the experimental group [i.e. those under a family cap] also experienced an abortion rate that was 14 percent higher than the control group [i.e. those not under a cap].'' Is that really the outcome that authors of the 1996 welfare law intended? Further, the evaluation notes of the New Jersey welfare reform effort, of which the cap as a component, that ''[w]e found no evidence that [the program] had any systemic positive impact on employment, employment stability, or earnings among AFDC recipients.'' That is, it did little to move welfare recipients to work, the ostensible objective of the 1996 welfare law.

And so, with this bit of evidence to reinforce my original position, I propose today to end the family cap, and I ask unanimous consent that a summary of the legislation and its full text be included in the RECORD.

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

S. 209

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

SECTION 1. PROHIBITION ON IMPOSITION OF A FAMILY CAP UNDER THE TANF PROGRAM.

(a) PROHIBITION.—Section 408(a) of the Social Security Act (42 U.S.C. 608(a)) is amended by adding at the end the following:

''(12) BAN ON FAMILY CAP.—A State to which a grant is made under section 403 may not, under the State program funded under this part, deny assistance to a family in respect of an individual because the individual was born after the family became eligible for or began receiving assistance under the program.''.

(b) PENALTY.—Section 409(a) of the Social Security Act (42 U.S.C. 609(a)) is amended by adding at the end the following:

''(15) NO TANF FUNDS FOR PROGRAM WITH FAMILY CAP.—Notwithstanding any other provision of this part, a State that violates section 408(a)(12) during a fiscal year shall remit to the Secretary all funds paid to the State under this part for the fiscal year, and no payment shall be made under this part to a State that has in effect a program that would be funded under this part but for a law, regulation, or policy that is inconsistent with such section.''.

FAMILY CAP PROHIBITION ACT OF 1999—BRIEF DESCRIPTION OF PROVISIONS

I. Prohibition on Imposition of a Family Cap

The bill prohibits a state from imposing a ''family cap'' as part of its Temporary Assistance for Needy Families (TANF) program. Under the 1996 welfare law states are permitted to deny additional assistance to families on TANF when another child is born to that family and 23 states have done so in some way. This policy, known as the ''family cap,'' would be prohibited.

II. Penalty

A state found in violation of this policy would lose TANF funding.

By Mr. MOYNIHAN:

S. 210. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

MEDICAL EDUCATION TRUST FUND ACT OF 1999

Mr. MOYNIHAN. Mr. President, today I introduce legislation that would establish a Medical Education Trust Fund to support America's 144 accredited medical schools and 1,250 graduate medical education teaching institutions. These institutions are national treasures; they are the very best in the world. Yet today they find themselves in a precarious financial situation as market forces reshape the health care delivery system in the United States. Explicit and dedicated funding for these institutions, which this legislation will provide, will ensure that the United States continues to lead the world in the quality of its health care system.

This legislation requires that the public sector, through the Medicare and Medicaid programs, and the private sector, through an assessment on health insurance premiums, contribute broad-based and fair financial support.

My particular interest in this subject began in 1994, when the Finance Committee took up the President's Health Security Act. I was Chairman of the Committee at the time. In January of that year, I asked Dr. Paul Marks, M.D., President of Memorial Sloan-Kettering Cancer Center in New York City, if he would arrange a ''seminar'' for me on health care issues. He agreed, and gathered a number of medical school deans together one morning in New York.

Early on in the meeting, one of the seminarians remarked that the University of Minnesota might have to close its medical school. In an instant I realized I had heard something new. Minnesota is a place where they open medical schools, not close them. How, then, could this be? The answer was that Minnesota, being Minnesota, was a leading state in the growth of competitive health care markets, in which managed care organizations try to deliver services at lower costs. In this environment, HMOs and the like do not send patients to teaching hospitals, absent which you cannot have a medical school.

We are in the midst of a great era of discovery in medical science. It is certainly not a time to close medical schools. This great era of medical discovery is occurring right here in the United States, not in Europe like past ages of scientific discovery. And it is centered in New York City. This heroic age of medical science started in the late 1930s. Before then, the average patient was probably as well off, perhaps better, out of a hospital as in one. Progress from that point sixty years ago has been remarkable. The last few decades have brought us images of the inside of the human body based on the magnetic resonance of bodily tissues; laser surgery; micro surgery for reattaching limbs; and organ transplantation, among other wonders. Physicians are now working on a gene therapy that might eventually replace bypass surgery. I can hardly imagine what might be next.

After months of hearings and debate on the President's Health Security Act, I became convinced that special provisions would have to be made for medical schools, teaching hospitals, and medical research if we were not to see this great moment in medical science suddenly constrained. To that end, when the Committee on Finance voted 12 to 8 on July 2, 1994 to report the Health Security Act, it included a Graduate Medical Education and Academic Health Centers Trust Fund. The Trust Fund provided an 80 percent increase in federal funding for academic medicine; as importantly, it represented stable, long-term funding. While nothing came of the effort to enact universal health care coverage, the medical education trust fund enjoyed widespread support. An amendment by Senator Malcolm Wallop to kill the trust fund by striking the source of its revenue—a 1.75 percent assessment on health insurance premiums—failed on a 7–13 vote in the Finance Committee.

I continued to press the issue in the first session of the 104th Congress. On September 29, 1995, during Finance Committee consideration of budget reconciliation legislation, I offered an amendment to establish a similar trust fund. My amendment failed on a tie vote, 10 to 10. Notably, however, the House version of the reconciliation bill did include a graduate medical education trust fund. That provision ultimately passed both houses as part of the conference agreement, which was subsequently vetoed by President Clinton. The budget resolution for fiscal year 1997 as passed by Congress also appeared to assume that a similar trust fund was to be included in the Medicare reconciliation bill—a bill which never materialized.

The Chairman of the House Ways and Means Committee, Representative BILL ARCHER, was largely responsible for the inclusion of trust fund provisions in the Balanced Budget Act of 1995 and the budget resolution for fiscal year 1997. He and I share a strong commitment to ensuring the continued success of our system of medical education. Indeed, Chairman ARCHER and I were both honored in 1996 to receive the American Association of Medical Colleges' Public Service Excellence Award.

That is the history of this effort, briefly stated.

Medical education is one of America's most precious public resources. Within our increasingly competitive health care system, it is rapidly becoming a public good—that is, a good from which everyone benefits, but for which no one is willing to pay. Therefore, it should be explicitly financed with contributions from all sectors of the health care system, not just the Medicare program as is the case today. The fiscal pressures of a competitive health market are increasingly closing off traditional implicit revenue sources (such as additional payments from private payers) that have supported medical schools, graduate medical education, and research until now. In its June, 1995 Report to Congress, the Prospective Payment Assessment Commission (ProPAC), created to advise Congress on Medicare Hospital Insurance (Part A) payment, summarized the situation of teaching hospitals as follows:

> As competition in the health care system intensifies, the additional costs borne by teaching hospitals will place them at a disadvantage relative to other facilities. The role, scale, function, and number of these institutions increasingly will be challenged. . . . Accelerating price competition in the private sector . . . is reducing the ability of teaching hospitals to obtain the higher patient care rates from other payers that traditionally have contributed to financing the costs associated with graduate medical education.

ProPAC's June, 1996 Report to Congress confirmed that ''major teaching hospitals have the dual problems of higher overall losses from uncompensated care and less above-cost revenue from private insurers.''

The State of New York provides a good example of what is happening as health care markets become more competitive. Effective at the end of the 1996 calendar year, New York repealed a state law that set hospital rates. Hospitals must now negotiate their fees with each and every health plan in the state. Where teaching hospitals were

once guaranteed a payment that recognized, to some degree, its higher costs of providing services, the private sector is free to squeeze down payments to hospitals with no such recognition. While the State of New York operates funding pools that provide partial support for graduate medical education and uncompensated care, it is largely up to the teaching hospitals to try to win higher rates than other hospitals when negotiating contracts with health plans. Some may succeed in doing so, but most will probably not. New York's state law was unique, but the same process of negotiation between hospitals and private health plant takes place across the country. Who, in this context, will pay for the higher costs of operating teaching hospitals?

It is worth mentioning that the NY state funding pools for GME were established as a temporary, yet important source of support for GME until Federal law—like the bill I am introducing today—can be passed by Congress. While New York has historically recognized the value of supporting GME through the state funding pools, this source of funding is currently in jeopardy of not being reauthorized by the state legislature.

It is obvious that teaching hospitals can no longer rely on higher payments from private payers to do so. Nor should they. The establishment of this trust fund, which explicitly reimburses teaching hospitals for the costs of graduate medical education, will ensure that teaching hospitals can pursue their vitally important patient care, training, and research missions in the face of an increasingly competitive health system.

Medical schools also face an uncertain future. There are many policy issues that need to be examined regarding the role of medical schools in our health system, but two threats faced by medical schools require immediate attention. This legislation addresses both. First, many medical schools are immediately threatened by the dire financial condition of their affiliated teaching hospitals. Medical schools rely on teaching hospitals to provide a place for their faculty to practice and perform research, a place to send third and fourth-year medical school students for training, and for some direct revenues. By improving the financial condition of teaching hospitals, this legislation significantly improves the outlook for medical schools.

The second immediate threat faced by medical schools stems from their reliance on a portion of the clinical practice revenue generated by their faculties to support their operations. As competition within the health system intensifies and managed care proliferates, these revenues are shrinking. This legislation provides payments to medical schools from the Trust Fund that are designed to partially offset this loss of revenue.

As we begin the 106th Congress, the Bipartisan Commission on the Future of Medicare as established in the Balanced Budget Act of 1997 is debating its recommendations to assure the long-term solvency and viability of the Medicare program. One of the most important policy discussions the Commission has undertaken centers on Medicare's role in the funding of Graduate Medical Education. In order to remain the world leader in graduate medical education, we must continue to maintain Medicare's commitment to GME and to the nation's teaching hospitals. I urge the Commission to maintain GME support through the Medicare program in order to assure a stable, federal source of funding. Several Commission members have raised the alarming idea of subjecting GME to an annual appropriations process. I urge my colleagues to reject this dangerous notion. It would be a tragedy for our medical schools and teaching institutions. Pitting GME against other important federal priorities would likely result in a substantial reduction in the federal commitment to GME.

None of the foregoing is meant to suggest that the new competitive forces reshaping health care have brought only negative results. To the contrary, the onset of competition has had many beneficial effects, the restraint of growth on average in health insurance premiums being the most obvious. But as Monsignor Charles J. Fahey of Fordham warned in testimony before the Finance Committee in 1994, we must be wary of the ''commodification of health care,'' by which he meant that health care is not just another commodity. We can rely on competition to hold down costs in much of the health system, but we must not allow it to bring a premature end to this great age of medical discovery, an age made possible by this country's exceptionally well-trained health professionals and superior medical schools and teaching hospitals. This legislation complements a competitive health market by providing tax-supported funding for the public services provided by teaching hospitals and medical schools.

Accordingly, the Medical Education Trust Fund established in the legislation I have just reintroduced would receive funding from three sources broadly representing the entire health care system: a 1.5 percent tax on health insurance premiums (the private sector's contribution), Medicare and Medicaid (the latter two sources comprising the public sector's contribution). The relative contribution from each of these sources will be in rough proportion to the medical education costs attributable to their respective covered populations.

Over the five years following enactment, the Medical Education Trust Fund provides average annual payments of about $17 billion. The tax on health insurance premiums (including self-insured health plans) raises approximately $5 billion per year for the Trust Fund. Federal health programs contribute about $12 billion per year to the Trust Fund: $8 billion of current Medicare graduate medical education payments and $4 billion in federal Medicaid spending.

This legislation is only a first step. It establishes the principle that, as a public good, medical education should be supported by dedicated, long-term Federal funding. To ensure that the United States continues to lead the world in the quality of its medical education and its health system as a whole, the legislation would also create a Medical Education Advisory Commission to conduct a thorough study and make recommendations, including the potential use of demonstration projects, regarding the following:

Alternative and additional sources of medical education financing;

Alternative methodologies for financing medical education;

Policies designed to maintain superior research and educational capacities in an increasingly competitive health system;

The appropriate role of medical schools in graduate medical education; and

Policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals, including children's hospitals.

Mr. President, the services provided by this Nation's teaching hospitals and medical schools—groundbreaking research, highly skilled medical care, and the training of tomorrow's physicians—are vitally important and must be protected in this time of intense economic competition in the health system.

I ask unanimous consent that a summary of the bill and the text of the bill be included in the RECORD.

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

S. 210

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 ''Medical Education Trust Fund Act of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Medical Education Trust Fund.
Sec. 3. Amendments to medicare program.
Sec. 4. Amendments to medicaid program.
Sec. 5. Assessments on insured and self-insured health plans.
Sec. 6. Medical Education Advisory Commission.
Sec. 7. Demonstration projects.

SEC. 2. MEDICAL EDUCATION TRUST FUND.

The Social Security Act (42 U.S.C. 300 et seq.) is amended by adding after title XXI the following new title:

''TITLE XXII—MEDICAL EDUCATION TRUST FUND

''TABLE OF CONTENTS OF TITLE

''Sec. 2201. Establishment of Trust Fund.
''Sec. 2202. Payments to medical schools.
''Sec. 2203. Payments to teaching hospitals.

''SEC. 2201. ESTABLISHMENT OF TRUST FUND.

''(a) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the Medical Education Trust Fund (in this title referred to as the 'Trust Fund'), consisting of the following accounts:

''(1) The Medical School Account.

''(2) The Medicare Teaching Hospital Indirect Account.

''(3) The Medicare Teaching Hospital Direct Account.

''(4) The Non-Medicare Teaching Hospital Indirect Account.

''(5) The Non-Medicare Teaching Hospital Direct Account.

Each such account shall consist of such amounts as are allocated and transferred to such account under this section, sections 1886(l) and 1936, and section 4503 of the Internal Revenue Code of 1986. Amounts in the accounts of the Trust Fund shall remain available until expended.

''(b) EXPENDITURES FROM TRUST FUND.—Amounts in the accounts of the Trust Fund are available to the Secretary for making payments under sections 2202 and 2203.

''(c) INVESTMENT.—

''(1) IN GENERAL.—The Secretary of the Treasury shall invest amounts in the accounts of the Trust Fund which the Secretary determines are not required to meet current withdrawals from the Trust Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

''(2) SALE OF OBLIGATIONS.—The Secretary of the Treasury may sell at market price any obligation acquired under paragraph (1).

''(3) AVAILABILITY OF INCOME.—Any interest derived from obligations held in each such account, and proceeds from any sale or redemption of such obligations, are hereby appropriated to such account.

''(d) MONETARY GIFTS TO TRUST FUND.—There are appropriated to the Trust Fund such amounts as may be unconditionally donated to the Federal Government as gifts to the Trust Fund. Such amounts shall be allocated and transferred to the accounts described in subsection (a) in the same proportion as the amounts in each of the accounts bears to the total amount in all the accounts of the Trust Fund.

''SEC. 2202. PAYMENTS TO MEDICAL SCHOOLS.

''(a) FEDERAL PAYMENTS TO MEDICAL SCHOOLS FOR CERTAIN COSTS.—

''(1) IN GENERAL.—In the case of a medical school that in accordance with paragraph (2) submits to the Secretary an application for fiscal year 2000 or any subsequent fiscal year, the Secretary shall make payments for such year to the medical school for the purpose specified in paragraph (3). The Secretary shall make such payments from the Medical School Account in an amount determined in accordance with subsection (b), and may administer the payments as a contract, grant, or cooperative agreement.

''(2) APPLICATION FOR PAYMENTS.—For purposes of paragraph (1), an application for payments under such paragraph for a fiscal year is in accordance with this paragraph if—

''(A) the medical school involved submits the application not later than the date specified by the Secretary; and

''(B) the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

''(3) PURPOSE OF PAYMENTS.—The purpose of payments under paragraph (1) is to assist medical schools in maintaining and developing quality educational programs in an increasingly competitive health care system.

''(b) AVAILABILITY OF TRUST FUND FOR PAYMENTS; ANNUAL AMOUNT OF PAYMENTS.—

''(1) AVAILABILITY OF TRUST FUND FOR PAYMENTS.—The following amounts shall be available for a fiscal year for making payments under subsection (a) from the amount allocated and transferred to the Medical School Account under sections 1886(l), 1936, 2201(c)(3), and 2201(d), and section 4503 of the Internal Revenue Code of 1986:

''(A) In the case of fiscal year 2000, $200,000,000.

''(B) In the case of fiscal year 2001, $300,000,000.

''(C) In the case of fiscal year 2002, $400,000,000.

''(D) In the case of fiscal year 2003, $500,000,000.

''(E) In the case of fiscal year 2004, $600,000,000.

''(F) In the case of each subsequent fiscal year, the amount determined under this paragraph for the previous fiscal year updated through the midpoint of such previous fiscal year by the estimated percentage change in the general health care inflation factor (as defined in subsection (d)) during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this subparagraph in the projected health care inflation factor.

''(2) AMOUNT OF PAYMENTS FOR MEDICAL SCHOOLS.—

''(A) IN GENERAL.—Subject to the annual amount available under paragraph (1) for a fiscal year, the amount of payments required under subsection (a) to be made to a medical school that submits to the Secretary an application for such year in accordance with subsection (a)(2) is an amount equal to an amount determined by the Secretary in accordance with subparagraph (B).

''(B) DEVELOPMENT OF FORMULA.—The Secretary shall develop a formula for allocation of funds to medical schools under this section consistent with the purpose described in subsection (a)(3).

''(c) MEDICAL SCHOOL DEFINED.—For purposes of this section, the term 'medical school' means a school of medicine (as defined in section 799 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

''(d) GENERAL HEALTH CARE INFLATION FACTOR.—The term 'general health care inflation factor' means the Consumer Price Index for Medical Services as determined by the Bureau of Labor Statistics.

''SEC. 2203. PAYMENTS TO TEACHING HOSPITALS.

''(a) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—In the case of any fiscal year beginning after September 30, 1999, the Secretary shall make payments to each eligible entity that, in accordance with paragraph (2), submits to the Secretary an application for such fiscal year. Such payments shall be made from the Trust Fund, and the total of the payments to the eligible entity for the fiscal year shall equal the sum of the amounts determined under subsections (b), (c), (d), and (e) with respect to such entity.

''(2) APPLICATION.—For purposes of paragraph (1), an application shall contain such information as may be necessary for the Secretary to make payments under such paragraph to an eligible entity during a fiscal year. An application shall be treated as submitted in accordance with this paragraph if it is submitted not later than the date specified by the Secretary, and is made in such form and manner as the Secretary may require.

''(3) PERIODIC PAYMENTS.—Payments under paragraph (1) to an eligible entity for a fiscal year shall be made periodically, at such intervals and in such amounts as the Secretary determines to be appropriate (subject to applicable Federal law regarding Federal payments).

''(4) ADMINISTRATOR OF PROGRAMS.—The Secretary shall carry out responsibility under this title by acting through the Administrator of the Health Care Financing Administration.

''(5) ELIGIBLE ENTITY.—For purposes of this title, the term 'eligible entity', with respect to any fiscal year, means—

''(A) for payment under subsections (b) and (c), an entity which would be eligible to receive payments for such fiscal year under—

''(i) section 1886(d)(5)(B), if such payments had not been terminated for discharges occurring after September 30, 1999;

''(ii) section 1886(h), if such payments had not been terminated for cost reporting periods beginning after September 30, 1999; or

''(iii) both sections; or

''(B) for payment under subsections (d) and (e)—

''(i) an entity which meets the requirement of subparagraph (A); or

''(ii) an entity which the Secretary determines should be considered an eligible entity.

''(b) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account under section 1886(l)(1), and subsections (c)(3) and (d) of section 2201 for such fiscal year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(d)(5)(B) if such payments had not been terminated for discharges occurring after September 30, 1999.

''(c) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Direct Account under section 1886(l)(2), and subsections (c)(3) and (d) of section 2201 for such fiscal year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(h) if such payments had not been terminated for cost reporting periods beginning after September 30, 1999.

''(d) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(d)(5)(B) if—

''(A) such payments had not been terminated for discharges occurring after September 30, 1999; and

''(B) non-medicare patients were taken into account in lieu of medicare patients.

''(e) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Direct Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

''(A) such payments had not been terminated for cost reporting periods beginning after September 30, 1999; and

''(B) non-medicare patients were taken into account in lieu of medicare patients.''.

SEC. 3. AMENDMENTS TO MEDICARE PROGRAM.

Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by striking ''The Secretary shall provide'' and inserting the following: ''For discharges occurring before October 1, 1999, the Secretary shall provide'';

(2) in subsection (d)(11)(C), by inserting after ''paragraph (5)(B)'' ''(notwithstanding that payments under paragraph (5)(B) are terminated for discharges occurring after September 30, 1999)'';

(3) in subsection (h)—

(A) in paragraph (1), in the first sentence, by striking ''the Secretary shall provide'' and inserting ''the Secretary shall, subject to paragraph (7), provide''; and

(B) by adding at the end the following:

''(7) LIMITATION.—

''(A) IN GENERAL.—The authority to make payments under this subsection (other than payments made under paragraphs (3)(D) and (6)) shall not apply with respect to—

''(i) cost reporting periods beginning after September 30, 1999; and

''(ii) any portion of a cost reporting period beginning on or before such date which occurs after such date.

''(B) RULE OF CONSTRUCTION.—This paragraph may not be construed as authorizing any payment under section 1861(v) with respect to graduate medical education.''; and

(4) by adding at the end the following:

''(1) TRANSFERS TO MEDICAL EDUCATION TRUST FUND.—

''(1) INDIRECT COSTS OF MEDICAL EDUCATION.—

''(A) TRANSFER.—

''(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund, the Secretary shall, for fiscal year 2000 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

''(ii) ALLOCATION.—Of the amount transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to such Trust Fund under title XXII (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account of such Trust Fund.

''(B) DETERMINATION OF AMOUNTS.—The Secretary shall make an estimate for each fiscal year involved of the nationwide total of the amounts that would have been paid under subsection (d)(5)(B) to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 1999.

''(2) DIRECT COSTS OF MEDICAL EDUCATION.—

''(A) TRANSFER.—

''(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, the Secretary shall, for fiscal year 2000 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

''(ii) ALLOCATION.—Of the amount transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to such Trust Fund under title XXII (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Direct Account of such Trust Fund.

''(B) DETERMINATION OF AMOUNTS.—For each hospital, the Secretary shall make an estimate for the fiscal year involved of the amount that would have been paid under subsection (h) to the hospital during the fiscal year if such payments had not been terminated for cost reporting periods beginning after September 30, 1999.

''(C) ALLOCATION BETWEEN FUNDS.—In providing for a transfer under subparagraph (A) for a fiscal year, the Secretary shall provide for an allocation of the amounts involved between part A and part B (and the trust funds established under the respective parts) as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.''.

SEC. 4. AMENDMENTS TO MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following:

''TRANSFER OF FUNDS TO ACCOUNTS

''SEC. 1936. (a) TRANSFER OF FUNDS.—

''(1) IN GENERAL.—For fiscal year 2000 and each subsequent fiscal year, the Secretary shall transfer to the Medical Education Trust Fund established under title XXII an amount equal to the amount determined under subsection (b).

''(2) ALLOCATION.—Of the amount transferred under paragraph (1)—

''(A) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under paragraph (1) bears to the total amounts transferred to such Trust Fund (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

''(B) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account of such Trust Fund, in the same proportion as the amounts transferred to each account under section 1886(l) relate to the total amounts transferred under such section for such fiscal year.

''(b) AMOUNT DETERMINED.—

''(1) OUTLAYS FOR ACUTE MEDICAL SERVICES DURING PRECEDING FISCAL YEAR.—Beginning with fiscal year 2000, the Secretary shall determine 5 percent of the total amount of Federal outlays made under this title for acute medical services, as defined in paragraph (2), for the preceding fiscal year.

''(2) ACUTE MEDICAL SERVICES DEFINED.—The term 'acute medical services' means items and services described in section 1905(a) other than the following:

''(A) Nursing facility services (as defined in section 1905(f)).

''(B) Intermediate care facility for the mentally retarded services (as defined in section 1905(d)).

''(C) Personal care services (as described in section 1905(a)(24)).

''(D) Private duty nursing services (as referred to in section 1905(a)(8)).

''(E) Home or community-based services furnished under a waiver granted under subsection (c), (d), or (e) of section 1915.

''(F) Home and community care furnished to functionally disabled elderly individuals under section 1929.

''(G) Community supported living arrangements services under section 1930.

''(H) Case-management services (as described in section 1915(g)(2)).

''(I) Home health care services (as referred to in section 1905(a)(7)), clinic services, and rehabilitation services that are furnished to an individual who has a condition or disability that qualifies the individual to receive any of the services described in a previous subparagraph.

''(J) Services furnished in an institution for mental diseases (as defined in section 1905(i)).

''(c) ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to the Non-Medicare Teaching Hospital Indirect Account, the Non-Medicare Teaching Hospital Direct Account, and the Medical School Account of amounts determined in accordance with subsections (a) and (b).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective on and after October 1, 1999.

SEC. 5. ASSESSMENTS ON INSURED AND SELF-INSURED HEALTH PLANS.

(a) GENERAL RULE.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding after chapter 36 the following new chapter:

"CHAPTER 37—HEALTH RELATED ASSESSMENTS

''SUBCHAPTER A. Insured and self-insured health plans.

"Subchapter A—Insured and Self-Insured Health Plans

''Sec. 4501. Health insurance and health-related administrative services.

''Sec. 4502. Self-insured health plans.

''Sec. 4503. Transfer to accounts.

''Sec. 4504. Definitions and special rules.

"SEC. 4501. HEALTH INSURANCE AND HEALTH-RELATED ADMINISTRATIVE SERVICES.

''(a) IMPOSITION OF TAX.—There is hereby imposed—

''(1) on each taxable health insurance policy, a tax equal to 1.5 percent of the premiums received under such policy, and

''(2) on each amount received for health-related administrative services, a tax equal to 1.5 percent of the amount so received.

''(b) LIABILITY FOR TAX.—

''(1) HEALTH INSURANCE.—The tax imposed by subsection (a)(1) shall be paid by the issuer of the policy.

''(2) HEALTH-RELATED ADMINISTRATIVE SERVICES.—The tax imposed by subsection (a)(2) shall be paid by the person providing the health-related administrative services.

''(c) TAXABLE HEALTH INSURANCE POLICY.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this section, the term 'taxable health insurance policy' means any insurance policy providing accident or health insurance with respect to individuals residing in the United States.

''(2) EXEMPTION OF CERTAIN POLICIES.—The term 'taxable health insurance policy' does not include any insurance policy if substantially all of the coverage provided under such policy relates to—

''(A) liabilities incurred under workers' compensation laws,

''(B) tort liabilities,

''(C) liabilities relating to ownership or use of property,

''(D) credit insurance, or

''(E) such other similar liabilities as the Secretary may specify by regulations.

''(3) SPECIAL RULE WHERE POLICY PROVIDES OTHER COVERAGE.—In the case of any taxable health insurance policy under which amounts are payable other than for accident or health coverage, in determining the amount of the tax imposed by subsection (a)(1) on any premium paid under such policy, there shall be excluded the amount of the charge for the nonaccident or nonhealth coverage if—

''(A) the charge for such nonaccident or nonhealth coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and

''(B) such charge is reasonable in relation to the total charges under the policy.

In any other case, the entire amount of the premium paid under such policy shall be subject to tax under subsection (a)(1).

''(4) TREATMENT OF PREPAID HEALTH COVERAGE ARRANGEMENTS.—

''(A) IN GENERAL.—In the case of any arrangement described in subparagraph (B)—

''(i) such arrangement shall be treated as a taxable health insurance policy,

''(ii) the payments or premiums referred to in subparagraph (B)(i) shall be treated as premiums received for a taxable health insurance policy, and

''(iii) the person referred to in subparagraph (B)(i) shall be treated as the issuer.

''(B) DESCRIPTION OF ARRANGEMENTS.—An arrangement is described in this subparagraph if under such arrangement—

''(i) fixed payments or premiums are received as consideration for any person's agreement to provide or arrange for the provision of accident or health coverage to residents of the United States, regardless of how such coverage is provided or arranged to be provided, and

''(ii) substantially all of the risks of the rates of utilization of services is assumed by such person or the provider of such services.

''(d) HEALTH-RELATED ADMINISTRATIVE SERVICES.—For purposes of this section, the term 'health-related administrative services' means—

''(1) the processing of claims or performance of other administrative services in connection with accident or health coverage under a taxable health insurance policy if the charge for such services is not included in the premiums under such policy, and

''(2) processing claims, arranging for provision of accident or health coverage, or performing other administrative services in connection with an applicable self-insured health plan (as defined in section 4502(c)) established or maintained by a person other than the person performing the services.

For purposes of paragraph (1), rules similar to the rules of subsection (c)(3) shall apply.

"SEC. 4502. SELF-INSURED HEALTH PLANS.

''(a) IMPOSITION OF TAX.—In the case of any applicable self-insured health plan, there is hereby imposed a tax for each month equal to 1.5 percent of the sum of—

''(1) the accident or health coverage expenditures for such month under such plan, and

''(2) the administrative expenditures for such month under such plan to the extent such expenditures are not subject to tax under section 4501.

In determining the amount of expenditures under paragraph (2), rules similar to the rules of subsection (d)(3) apply.

''(b) LIABILITY FOR TAX.—

''(1) IN GENERAL.—The tax imposed by subsection (a) shall be paid by the plan sponsor.

''(2) PLAN SPONSOR.—For purposes of paragraph (1), the term 'plan sponsor' means—

''(A) the employer in the case of a plan established or maintained by a single employer,

''(B) the employee organization in the case of a plan established or maintained by an employee organization, or

''(C) in the case of—

''(i) a plan established or maintained by 2 or more employers or jointly by 1 or more employers and 1 or more employee organizations,

''(ii) a voluntary employees' beneficiary association under section 501(c)(9), or

''(iii) any other association plan,

the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

''(c) APPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this section, the term 'applicable self-insured health plan' means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

''(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

''(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan to the extent such expenditures are not subject to tax under section 4501.

''(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements (by insurance or otherwise) received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

''(3) CERTAIN EXPENDITURES DISREGARDED.—Paragraph (1) shall not apply to any expenditure for the acquisition or improvement of land or for the acquisition or improvement of any property to be used in connection with the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be considered as expenditures.

"SEC. 4503. TRANSFER TO ACCOUNTS.

''For fiscal year 2000 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502, of which—

''(1) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 2202(b)(1) of such Act for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred to such Trust Fund under this section bears to the total amounts transferred to such Trust Fund (excluding amounts transferred under subsections (c)(3) and (d) of section 2201 of such Act) for such fiscal year; and

''(2) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account of such Trust Fund, in the same proportion as the amounts transferred to such account under section 1886(l) of such Act relate to the total amounts transferred under such section for such fiscal year.

Such amounts shall be transferred in the same manner as under section 9601.

"SEC. 4504. DEFINITIONS AND SPECIAL RULES.

''(a) DEFINITIONS.—For purposes of this subchapter—

''(1) ACCIDENT OR HEALTH COVERAGE.—The term 'accident or health coverage' means any coverage which, if provided by an insurance policy, would cause such policy to be a taxable health insurance policy (as defined in section 4501(c)).

''(2) INSURANCE POLICY.—The term 'insurance policy' means any policy or other instrument whereby a contract of insurance is issued, renewed, or extended.

''(3) PREMIUM.—The term 'premium' means the gross amount of premiums and other consideration (including advance premiums, deposits, fees, and assessments) arising from policies issued by a person acting as the primary insurer, adjusted for any return or additional premiums paid as a result of endorsements, cancellations, audits, or retrospective rating. Amounts returned where the amount is not fixed in the contract but depends on the experience of the insurer or the

discretion of management shall not be included in return premiums.

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

''(b) TREATMENT OF GOVERNMENTAL ENTITIES.—

''(1) IN GENERAL.—For purposes of this subchapter—

''(A) the term 'person' includes any governmental entity, and

''(B) notwithstanding any other law or rule of law, governmental entities shall not be exempt from the taxes imposed by this subchapter except as provided in paragraph (2).

''(2) EXEMPT GOVERNMENTAL PROGRAMS.—

''(A) IN GENERAL.—In the case of an exempt governmental program—

''(i) no tax shall be imposed under section 4501 on any premium received pursuant to such program or on any amount received for health-related administrative services pursuant to such program, and

''(ii) no tax shall be imposed under section 4502 on any expenditures pursuant to such program.

''(B) EXEMPT GOVERNMENTAL PROGRAM.—For purposes of this paragraph, the term 'exempt governmental program' means—

''(A) the insurance programs established by parts A and B of title XVIII of the Social Security Act,

''(B) the medical assistance program established by title XIX of the Social Security Act,

''(C) any program established by Federal law for providing medical care (other than through insurance policies) to individuals (or the spouses and dependents thereof) by reason of such individuals being—

''(i) members of the Armed Forces of the United States, or

''(ii) veterans, and

''(D) any program established by Federal law for providing medical care (other than through insurance policies) to members of Indian tribes (as defined in section 4(d) of the Indian Health Care Improvement Act).

''(c) NO COVER OVER TO POSSESSIONS.—Notwithstanding any other provision of law, no amount collected under this subchapter shall be covered over to any possession of the United States.''.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle D of the Internal Revenue Code of 1986 is amended by inserting after the item relating to chapter 36 the following new item:

''CHAPTER 37. Health related assessments.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to premiums received, and expenses incurred, with respect to coverage for periods after September 30, 1999.

SEC. 6. MEDICAL EDUCATION ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is hereby established an advisory commission to be known as the Medical Education Advisory Commission (in this section referred to as the ''Advisory Commission'').

(b) DUTIES.—

(1) IN GENERAL.—The Advisory Commission shall—

(A) conduct a thorough study of all matters relating to—

(i) the operation of the Medical Education Trust Fund established under section 2201 of the Social Security Act (as added by section 2);

(ii) alternative and additional sources of graduate medical education funding;

(iii) alternative methodologies for compensating teaching hospitals for graduate medical education;

(iv) policies designed to maintain superior research and educational capacities in an increasing competitive health system;

(v) the role of medical schools in graduate medical education;

(vi) policies designed to expand eligibility for graduate medical education payments to children's hospitals that operate graduate medical education programs; and

(vii) policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals;

(B) develop recommendations, including the use of demonstration projects, on the matters studied under subparagraph (A) in consultation with the Secretary of Health and Human Services and the entities described in paragraph (2);

(C) not later than January 2001, submit an interim report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services; and

(D) not later than January 2003, submit a final report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services.

(2) ENTITIES DESCRIBED.—The entities described in this paragraph are—

(A) other advisory groups, including the Council on Graduate Medical Education and the Medicare Payment Advisory Commission;

(B) interested parties, including the Association of American Medical Colleges, the Association of Academic Health Centers, and the American Medical Association;

(C) health care insurers, including managed care entities; and

(D) other entities as determined by the Secretary of Health and Human Services.

(c) NUMBER AND APPOINTMENT.—The membership of the Advisory Commission shall include 9 individuals who are appointed to the Advisory Commission from among individuals who are not officers or employees of the United States. Such individuals shall be appointed by the Secretary of Health and Human Services, and shall include individuals from each of the following categories:

(1) Physicians who are faculty members of medical schools.

(2) Officers or employees of teaching hospitals.

(3) Officers or employees of health plans.

(4) Deans of medical schools.

(5) Such other individuals as the Secretary determines to be appropriate.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Advisory Commission shall serve for the lesser of the life of the Advisory Commission, or 4 years.

(2) SERVICE BEYOND TERM.—A member of the Advisory Commission may continue to serve after the expiration of the term of the member until a successor is appointed.

(e) VACANCIES.—If a member of the Advisory Commission does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(f) CHAIR.—The Secretary of Health and Human Services shall designate an individual to serve as the Chair of the Advisory Commission.

(g) MEETINGS.—The Advisory Commission shall meet not less than once during each 4-month period and shall otherwise meet at the call of the Secretary of Health and Human Services or the Chair.

(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—Members of the Advisory Commission shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Commission. Such compensation may not be in an amount in excess of the maximum rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—

(1) STAFF DIRECTOR.—The Advisory Commission shall, without regard to the provisions of title 5, United States Code, relating to competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under 5382 of title 5, United States Code.

(2) ADDITIONAL STAFF.—The Secretary of Health and Human Services shall provide to the Advisory Commission such additional staff, information, and other assistance as may be necessary to carry out the duties of the Advisory Commission.

(j) TERMINATION OF THE ADVISORY COMMISSION.—The Advisory Commission shall terminate 90 days after the date on which the Advisory Commission submits its final report under subsection (b)(1)(D).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 7. DEMONSTRATION PROJECTS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish, by regulation, guidelines for the establishment and operation of demonstration projects which the Medical Education Advisory Commission recommends under section 6(b)(1)(B).

(b) FUNDING.—

(1) IN GENERAL.—For any fiscal year after 1999, amounts in the Medical Education Trust Fund under title XXII of the Social Security Act shall be available for use by the Secretary in the establishment and operation of demonstration projects described in subsection (a).

(2) FUNDS AVAILABLE.—

(A) LIMITATION.—Not more than 1/10 of 1 percent of the funds in such Trust Fund shall be available for the purposes of paragraph (1).

(B) ALLOCATION.—Amounts under paragraph (1) shall be paid from the accounts established under paragraphs (2) through (5) of section 2201(a) of the Social Security Act, in the same proportion as the amounts transferred to such accounts bears to the total of amounts transferred to all 4 such accounts for such fiscal year.

(c) LIMITATION.—Nothing in this section shall be construed to authorize any change in the payment methodology for teaching hospitals and medical schools established by the amendments made by this Act.

SUMMARY OF THE MEDICAL EDUCATION TRUST FUND ACT OF 1999

OVERVIEW

The legislation establishes a Medical Education Trust Fund to support America's 144 medical schools and 1,250 graduate medical education teaching institutions. These institutions are in a precarious financial situation as market forces reshape the health care delivery system. Explicit and dedicated funding for these institutions will guarantee that the United States continues to lead the world in the quality of its health care system.

The Medical Education Trust Fund Act of 1999 recognizes the need to begin moving away from existing medical education payment policies. Funding would be provided for demonstration projects and alternative payment methods, but permanent policy changes would await a report from a new Medical Education Advisory Commission established by the bill. The primary and immediate purpose of the legislation is to establish as Federal policy that medical education is a public good which should be supported by all sectors of the health care system.

To ensure that the burden of financing medical education is shared equitably by all sectors, the Medical Education Trust Fund will receive funding from three sources: a 1.5 percent assessment on health insurance premiums (the private sector's contribution), Medicare, and Medicaid (the public sector's contribution). The relative contribution from each of these sources is in rough proportion to the medical education costs attributable to their respective covered populations.

Over the five years following enactment, the Medical Education Trust Fund will provide average annual payments of about $17 billion, roughly doubling federal funding for medical education. The assessment on health insurance premiums (including self-insured health plans) contributes approximately $5 billion per year to the Trust Fund. Federal health programs contribute about $12 billion per year to the Trust Fund: $8 billion in Medicare graduate medical education payments and $4 billion in federal Medicaid spending.

ESTIMATED AVERAGE ANNUAL TRUST FUND REVENUE BY SOURCE, FIRST FIVE YEARS

[In billions of dollars]

1.5% assessment	Medicare	Medicaid	Total
5	8	4	17

INTERIM PAYMENT METHODOLOGIES

Payments to medical schools

Medical schools rely on a portion of the clinical practice revenue generated by their faculties to support their operations. As competition within the health system intensifies and managed care proliferates, these revenues are being constrained. Payments to medical schools from the Trust Fund are designed to partially offset this loss of revenue. Initially, these payments will be based upon an interim methodology developed by the Secretary of Health and Human Services.

Payments to teaching hospitals

To cover the costs of education, teaching hospitals have traditionally charged higher rates than other hospitals. As private payers become increasingly unwilling to pay these higher rates, the future of these important institutions, and the patient care, training, and research they provide, is placed at risk. Payments from the Trust Fund reimburse teaching hospitals for both the direct[1] and indirect[2] costs of graduate medical education.

Payments for direct costs are based on the actual costs of employing medical residents. Payments for indirect costs are based on the number of patients cared for in each hospital and the severity of their illnesses as well as a measure of the teaching load in that hospital.[3] For the purposes of payments to teaching hospitals, the allocation of Medicare funds is based on the number of Medicare patients in each hospital; the allocation of the tax revenue and Medicaid funds is based on the number of non-Medicare patients in each hospital.

MEDICAL EDUCATION ADVISORY COMMISSION

The legislation also establishes a Medical Education Advisory Commission to conduct a study and make recommendations, including the potential use of demonstration projects, regarding the following: operations of the Medical Education Trust Fund; alternative and additional sources of medical education financing; alternative methodologies for distributing medical education payments; policies designed to maintain superior research and education capacities in an increasingly competitive health system; the role of medical schools in graduate medical education; and policies designed to expand, eligibility for graduate medical education payments to institutions other than teaching hospitals, including children's hospitals.

The Commission, comprised of nine individuals appointed by the Secretary of Health and Human Services, will be required to issue an interim report no later than January 1, 2001, and a final report no later than January 1, 2003.

FOOTNOTES

[1] Medical residents' salaries are the primary direct cost.

[2] These indirect costs include the cost of treating more seriously ill patients and the costs of additional tests that may be ordered by medical residents.

[3] The legislation will use Medicare's measure of teaching load as an interim measure.

By Mr. MOYNIHAN (for himself, Mr. ROTH, Mr. BAUCUS, Mrs. BOXER, Mr. BRYAN, Mr. CONRAD, Mr. GRAHAM, Mr. GRASSLEY, Mr. HATCH, Mr. JEFFORDS, Mr. KYL, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. MURKOWSKI, Mr. ROBB, and Mr. SCHUMER):

S. 211. A bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes; to the Committee on Finance.

EMPLOYEE EDUCATIONAL ASSISTANCE ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to permanently extend the tax exclusion for employer-provided educational assistance under section 127 of the Internal Revenue Code. This bill, cosponsored by Senator ROTH, the distinguished chairman of the Senate Finance Committee, ensures that employees may receive up to $5,250 annually in tuition reimbursements or similar educational benefits for both undergraduate and graduate education from their employers on a tax-free basis.

The provision enjoys virtually unanimous support in the Senate. In the 105th Congress, every member of the Committee on Finance sponsored legislation to make this provision permanent, and the full Senate twice voted to support it—in 1997 and again in 1998.

The provision enjoys equally broad support in the business, labor, and education communities. I have received letters of support from groups such as the National Association of Manufacturers, from labor and employee groups such as the College and University Personnel Association, and from professional groups such as the National Society of Professional Engineers.

Why, then, is it not a permanent feature of the Tax Code today? Because, for reasons this Senator cannot understand, the provision has been opposed in the House.

Section 127 should be permanent because it is one of the most successful education initiatives that the Federal Government has ever undertaken. Approximately one million persons benefits from this provision every year. And they benefit in the most auspicious of circumstances. An employer recognizes that the worker is capable of doing work at higher levels and skills and says, ''Will you go to school and get a degree so we can put you in a higher position than you have now—and with better compensation?'' Unlike so many of our job training programs that have depended on the hope that in the aftermath of the training there will be a job, here you have a situation where the worker already has a job and the employer agrees that the worker should improve his or her situation in a manner that is beneficial to all concerned.

And the program works efficiently. It administers itself. It has no bureaucracy—there is no bureau in the Department of Education for employer-provided educational assistance, no titles, no confirmations, no assistant secretaries. There is nothing except the individual plan of an employer for the benefit of its employees.

Since its inception in 1979, section 127 has enabled millions of workers to advance their education and improve their job skills without incurring additional taxes and a reduction in take-home pay. As one example of the reach of this provisions, IBM, a key New York employer, provides education assistance benefits worth millions of dollars to more than 4,000 participants a year.

Without section 127, workers will find that the additional taxes or reduction in take-home pay impose a significant, even prohibitive, financial obstacle to further education. For example, an unmarried clerical worker pursuing a college diploma who has income of $21,000 in 1999 ($10.50 per hour) and who received tuition reimbursement for two semesters of night courses—perhaps worth $4,000—wil owe additional Federal income and payroll taxes of $906 on this educational assistance.

And the provision makes an important contribution to simplicity in the tax law. Absent section 127, a worker receiving educational benefits from an employer is taxed on the value of the education received, unless the education is directly related to the worker's current job and not remedial. Thus, the worker would be subject to

[1] Footnotes at end of summary.

tax if the education either qualifies him or her for a new job, or is necessary to meet the minimum educational requirements for the current job. Workers and employers—as well as the IRS for matters in audit—must carefully review the facts of each situation and judge whether the education is taxable under these rules, and employers are subject to penalties if they fail to properly adjust wage withholding for employees who receive taxable education. More work for tax advisors. Permanent reinstatement of section 127 will allow workers who receive, and employers who provide, education assistance to do so without such complexity.

Section 127 has also helped to improve the quality of America's public education system at a fraction of the cost of direct-aid programs. A survey by the National Education Association a few years ago found that almost half of all American public schools systems provide tuition assistance to teachers seeking advanced training and degrees. This has enabled thousands of public schools teachers to obtain advanced degrees, enhancing the quality of instruction in our schools.

A well-trained and educated work force is a key to our Nation's competitiveness in the global economy of the 21st century. Pressures from international competition and technological change require constant education and retraining to maintain and strengthen American industry's competitive position. Alan Greenspan, the esteemed Chairman of the Federal Reserve System's Board of Governors, remarked at Syracuse University in New York in December, 1997 that:

> Our business and workers are confronting a dynamic set of forces that will influence our nations' ability to compete worldwide in the years ahead. Our success in preparing workers and managers to harness those forces will be an important element in the outcome.
>
> . . . America's prospects for economic growth will depend greatly on our capacity to develop and to apply new technology.
>
> [A]n increasing number of workers are facing the likelihood that they will need retooling during their careers. The notion that formal degree programs at any level can be crafted to fully support the requirements of one's lifework is being challenged. As a result, education is increasingly becoming a lifelong activity; businesses are now looking for employees who are prepared to continue learning. . . .

Section 127 has an important, perhaps vital, role to play in this regard. It permits employees to adapt and retrain without incurring additional tax liabilities and a reduction in take-home pay. By removing the tax burden from workers seeking education and retraining, section 127 helps to maintain American workers as the most productive in the industrialized and developing world.

Indeed, recent evidence released by the Census Bureau demonstrates that the earnings gap between individuals with a college degree and those with only a high school education continues to grow. Those who hold bachelor's degrees on average made $40,478 last year, compared with $22,895 earned by the average high school graduate. In other terms, college graduates now earn 76 percent more than their counterparts with less education, up significantly from 57 percent in 1975.

Despite efforts by the Senate, the most recent extension of section 127 excluded graduate level education. This was a mistake. Historically, one quarter of the individuals who have used section 127 went to graduate schools. Ask major employees about their employee training and they will say nothing is more helpful than being able to send a promising young person, or middle management person, to a graduate school to learn a new field that has developed since that person acquired his or her education. As Dr. Greenspan stated,

> . . . education, especially to enhance advanced skills, is so vital to the future growth of our economy.

By eliminating graduate level education from section 127, we impose a tax increase on many citizens who work and go to graduate school at the same time. But not all of them. Only the ones whose education does not directly relate to their current jobs. For these unlucky persons, we have erected a barrier to their upward mobility. Who are these people? Perhaps an engineer seeking a master's degree in geology to enter the field of environmental science, or a bank teller seeking an MPA in accounting, or a production line worker seeking an MBA in management.

Simple equity among taxpayers demands that section 127 be made permanent. Contrast each of the above examples with the following: The environmental geologist seeking a master's in geology, the bank accountant seeking an MPA, and the management trainee seeking an MBA; each of these persons could qualify for tax-free education, whereas their colleagues would not. There is no justification for this difference in tax treatment.

Thus, section 127 removes a tax bias against lesser-skilled workers. The tax bias arises because lesser-skilled workers have narrower job descriptions, and a correspondingly greater difficulty proving that educational expenses directly relate to their current jobs. Less-skilled workers are in greater need of remedial and basic education. And they are the ones least able to afford the imposition of tax on their educational benefits. As noted by Senator Packwood in a 1978 Finance Committee hearing on this provision, employer-provided education is not taxable:

> . . . so long as it is related to the job, but the trouble is, once you get higher in a corporation, more things seem to be related to the job. If you are a vice president in charge of marketing for Mobil Oil or General Motors, you could have a wide expanse of educational experiences that would be job related. . . . but for the poor devil in private enterprise who dropped out of school at 16 and is working on a production job and would like to move out of that, all you can train him for is to do the production job better. . . . [T]he lower skilled, the minorities, the less educated, are also the ones circumscribed by law.

This has been confirmed in practice. A study published by the National Association of Independent Colleges and Universities in December, 1995 found that the average section 127 recipient earned less than $33,000, and a Coopers & Lybrand study found that participation rates decline as salary levels increase.

I hope that Congress will recognize the importance of this provision, and enact it permanently. Our on-again, off-again approach to section 127 has created great practical difficulties for the intended beneficiaries. Workers cannot plan sensibly for their educational goals, not knowing the extent to which accepting educational assistance may reduce their take-home pay. As for employers, the fits and starts of the legislative history of section 127 have been a serious administrative nuisance: there have been nine extensions of this provision since 1978, of which eight were retroactive. If section 127 is in force, then there is no need to withhold taxes on educational benefits provided; if not, the job-relatedness of the educational assistance must be ascertained, a value assigned, and withholding adjusted accordingly. Uncertainty about the program's continuance has magnified this burden, and discouraged employers from providing educational benefits.

For example, section 127 expired for a time after 1994. During 1995, employers did not know whether to withhold taxes or curtail their educational assistance programs. Workers did not know whether they would face large tax bills, and possible penalties and interest, and thus faced considerable risk in planning for their education. Constituents who called my office reported that they were taking fewer courses—or no courses—due to this uncertainty. And when we failed to extend the provision by the end of 1995, employers had to guess as to how to report their worker's incomes on the W–2 tax statements, and employees had to guess whether to pay tax on the benefits they received. In the Small Business Job Protection Act of 1996, we finally extended the provision retroactively to the beginning of 1995. As a result, we had to instruct the IRS to issue guidance expeditiously to employers and workers on how to obtain refunds.

The current provision expires with respect to courses beginning after May 31, 2000. Will we subject our constituents, once again, to similar confusion? The legislation I introduce today would

restore certainty to section 127 by maintaining it on a permanent basis for all education.

Encouraging workers to further their education and to improve their job skills is an important national priority. It is crucial for preserving our competitive position in the global economy. Permitting employees to receive educational assistance on a tax-free basis, without incurring significant cuts in take-home pay, is a demonstrated, cost-effective means for achieving these objectives. This is a wonderful piece of unobtrusive social policy. And it simplifies our tax system for one million workers and their employers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, along with two letters, representative of many, I have received in support of the bill.

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

S. 211

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 ''Employee Educational Assistance Act''.

SEC. 2. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE PROGRAMS.

(a) PERMANENT EXTENSION.—Section 127 of the Internal Revenue Code of 1986 (relating to exclusion for educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—The last sentence of section 127(c)(1) of such Code is amended by striking '', and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree''.

(c) EFFECTIVE DATES.—

(1) EXTENSION.—The amendments made by subsection (a) shall apply with respect to expenses relating to courses beginning after the date of enactment of this Act.

(2) GRADUATE EDUCATION.—The amendment made by subsection (b) shall apply with respect to expenses relating to courses beginning after December 31, 1998.

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, DC, January 19, 1999.

Hon. DANIEL P. MOYNIHAN,
Ranking Member, Senate Committee on Finance, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MOYNIHAN: On behalf of the National Association of Manufacturers (NAM), representing 18 million working men and women in 14,000 small, medium and large businesses across America, I want to commend you for your willingness to introduce and sponsor S. 127 in the 106th Congress. As you know, Section 127 of the Internal Revenue Code enables employers to provide tax-free tuition assistance for undergraduate education through 2000. The NAM supports your efforts to provide not only a permanent extension of Section 127, but the restoration of graduate-level assistance as well.

The NAM strongly believes that education and lifelong learning are the key to continued economic growth and worker prosperity. Last week, NAM President Jerry Jasinowski participated in Vice President Gore's Summit on Skills for 21st Century and urged that government, labor, academic and business leaders all take greater responsibility in encouraging a stronger focus on lifelong learning. Manufacturers have discovered the importance of education and lifelong learning first hand. For instance, raising the education level of workers by just one year raises manufacturing productivity by 8.5 percent and each additional year of post-high school education is worth 5–15 percent in increased earnings to the worker. Despite the fact that roughly 95 percent of manufacturers provide some form of worker training and nearly half spend at least 2 percent of payroll, 9 in 10 report a serious skills shortage. In short, our economy will only continue to grow if our workers are armed with the skills they need to thrive in tomorrow's workplace. Permanent extension of Section 127 for both undergraduate and graduate-level assistance will help do just that.

Again, thank you for your support for this important issue. The NAM looks forward to working with you and Chairman Roth in developing bipartisan support for S. 127. Please feel free to contact me at (202) 637–3133 if the NAM can be of further assistance.

Sincerely,

SANDRA BOYD,
Assistant Vice President.

NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES,
Washington, DC, January 13, 1999.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR MOYNIHAN: I am writing to offer my sincere appreciation for your sponsorship of legislation that will permanently extend IRC Sec. 127 for both undergraduate and graduate courses. On behalf of over 900 independent colleges and universities across the country that make up the National Association of Independent Colleges and Universities (NAICU), I thank you for your continued commitment to encouraging a well-educated and properly-trained workforce through the permanent extension of this tax credit.

As you know, this important provision of the tax code allows employees to exclude from their income the first $5,250 of educational benefits paid by their employers. While the Taxpayer Relief Act of 1997 temporarily extended the benefit for undergraduate courses, graduate courses are currently not included in the Sec. 127 extension that is set to expire on May 31, 2000. Legislation that will permanently extend the credit for both graduate and undergraduate courses is absolutely critical.

Employees benefit from Sec. 127 by keeping current in rapidly advancing fields, improving basic skills, or, in extreme cases, learning new skills. Sec. 127 also serves as an effective means for entry level employees to move from low wage jobs to higher wage jobs while remaining in the workforce.

Sec. 127 has always received strong support in both the House and Senate, and as a time-tested initiative, it ought to be included in any tax vehicle that comes before the 106th Congress. NAICU looks forward to working with you and the other supporters of this legislation to move the bill forward.

Again thank you for your continued efforts on this important matter.

Sincerely,

DAVID L. WARREN, *President.*

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 212. A bill to amend the Internal Revenue Code of 1986 to extend the economic activity credit for Puerto Rico, and for other purposes; to the Committee on Finance.

S. 213. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation of the cover over of tax on distilled spirits, and for other purposes; to the Committee on Finance.

S. 214. A bill to amend the Internal Revenue Code of 1986 to extend the research and development tax credit to research in the Commonwealth of Puerto Rico and the possessions of the United States; to the Committee on Finance.

S. 215. A bill to amend title XXI of the Social Security Act to increase the allotments for territories under the State Children's Health Insurance Program; to the Committee on Finance.

PUERTO RICO LEGISLATIVE PACKAGE

Mr. MOYNIHAN. Mr. President, I rise today on behalf of myself and my distinguished colleague from New York, Mr. SCHUMER, to introduce three tax measures designed to strengthen our commitment to enhancing the prospects for long-term economic growth in the Commonwealth of Puerto Rico, and a fourth piece of legislation to ensure fair funding for its Children's Health Insurance Program.

Twice this decade, Congress has imposed significant tax increases on companies doing business in Puerto Rico. Those tax increases in 1993 and 1996, agreed to in the context of broader deficit reduction and minimum wage legislation, substantially altered the economic relationship between the United States and the possessions. The legislation I introduce today will address several of the economic concerns caused by those tax increases and restore incentives for employment, investment, and business opportunities.

Federal tax incentives for economic activity in Puerto Rico are nearly as old as the income tax itself. Under the Revenue Act of 1921, U.S. corporations that met two gross income tests were deemed ''possessions corporations'' exempt from tax on all income derived from sources outside the United States. The possessions corporation exemption remained unchanged until 1976. Section 936 of the Internal Revenue Code, added by the Tax Reform Act of 1976, maintained the exemption for income derived by U.S. corporations from operations in a possession. It also exempted from tax the dividends remitted by a possessions corporation to its U.S. parent. However, to prevent the avoidance of tax on investments in foreign countries by possessions corporations, the

1976 Tax Reform Act eliminated the exemption for income derived outside the possessions.

In 1993, Congress imposed significant limitations on Section 936. The Omnibus Budget Reconciliation Act of 1993 subjected Section 936 to two alternative limitations (the taxpayer may choose which limitation applies). One limitation is based on factors that reflect the corporation's economic activity in the possessions. The other limitation is based on a percentage of the credit that would be allowable under prior-law rules. The staff of the Joint Tax Committee estimated that the 1993 Act changes would raise $3.75 billion over five years.

While Congress substantially limited tax incentives for companies doing business in Puerto Rico in 1993, the Small Business Job Protection Act of 1996 effectively repealed remaining federal tax incentives, subject to a 10-year transition rule for taxpayers with existing investments in Puerto Rico. The Joint Tax Committee staff estimated the 1996 changes would raise $10.5 billion over ten years.

In committee report language accompanying the 1976 Act, Congress recognized that the Federal government imposes upon the possessions various requirements, such as minimum wage requirements and requirements to use U.S. flag ships in transporting goods between the United States and various possessions, that substantially increase the labor, transportation and other costs of establishing business operations in Puerto Rico. In the 1990s, in light of trade agreements such as NAFTA and increased economic competition from low-wage Caribbean countries, these concerns are particularly acute.

Traditionally, Puerto Rico has been excluded from or underfinanced in many federal programs because, it has been argued, the island does not pay income taxes to the Federal government. For example, Puerto Rico has only minimal Federal participation in the Medicaid program. In 1998, Puerto Rico's Medicaid program received approximately $170 million in federal funds, whereas it could have received approximately $500 million if it were treated as a state. Clearly, Congress should not adopt a double standard of taxing Puerto Rico's economic activity while denying funding for federal programs.

Mr. President, the first of the bills I introduce today, while not designed to reinstate prior law, seeks to build on the temporary wage credit that is currently provided in the Internal Revenue Code. The bill removes provisions that limit, in taxable years beginning after 2001, the aggregate taxable income taken into account in determining the amount of the credit. Employers would generally be eligible for a tax credit equal to 60 percent of wages and fringe benefit expenses for employees located in Puerto Rico. New as well as existing employers would be rewarded for providing local jobs. Instead of expiring at the end of 2005, the credit would terminate three years later for tax years starting after 2008. Thus, businesses would have a 10 year period in which to take advantage of these incentives.

A second proposal addresses the inequitable treatment of Puerto Rico under the tax credit for increasing research activities (the R&D tax credit). The R&D credit has never applied to qualified research conducted in Puerto Rico and the other U.S. possessions. Until recently, U.S. companies paid no taxes on Puerto Rico source income. As a result, there were no tax consequences to Puerto Rico's exclusion from the R&D credit. With the phasing out of section 936, applying the R&D credit to research expenditures in Puerto Rico has become a matter of fairness, and this legislation would ensure eligibility for companies operating in the possessions. The Government of Puerto Rico has made research and development a centerpiece of its new economic model, and Puerto Rico's 1998 Tax Incentives Act created a deduction for research and development expenses incurred for new or improved products or industrial processes. While the immediate cost of extending the R&D credit to Puerto Rico is minimal (in 1998, the Joint Tax Committee estimated the total five year revenue loss at $4 million), the long term benefits for Puerto Rico's diversifying economy could be significant.

The third bill addresses a provision of the tax law a portion of which expired on September 30, 1998. The Puerto Rican Federal Relations Act and the Revised Organic Act of the Virgin Islands mandate that all federal collections on insular products be transferred (''covered-over'') to those unincorporated jurisdictions of our Nation. Further, the Caribbean Basin Economic Recovery Act provides that collections on all imported rum be transferred to the treasuries of Puerto Rico and the Virgin Islands. In 1984, because of a dispute concerning the use of the tax cover-over mechanism in Puerto Rico, the cover-over was limited to an amount of $10.50 per gallon tax on rum, rather than the full $13.50 per gallon tax. The disputed practice was discontinued many years ago. In 1993, Congress enacted a temporary increase in the rum cover-over, to $11.30, effective for five years. That provision expired on September 30, 1998, and the rum cover-over dropped back to $10.50. The legislation would restore the cover-over to the full amount of the excise tax collected on rum ($13.50 per proof gallon), as mandated in the basic laws regarding those jurisdictions and in the Caribbean Basin Initiative. Last September, the Congressional Budget Office estimated such a proposal would cost $350 million over 5 years and $700 million over 10 years.

Additionally, the proposal provides that, for a five-year period, 50 cents per gallon of the cover-over to Puerto Rico would be further transferred to the Puerto Rico Conservation Trust. The Conservation Trust, created for the protection of the natural resources and environmental beauty of Puerto Rico, was established by the Department of the Interior and the Commonwealth of Puerto Rico in 1968. The Trust was initially funded through an oil import fee. More recently, it was primarily financed through Section 936 of the Internal Revenue Code. The Trust lost more than 80 percent of its funding as a consequence of the decision to phase-out section 936 and eliminate the Qualified Possession Source Investment Income provision in the tax code. The proposal to transfer a portion of the restored cover-over for five years to capitalize the Trust is projected to result in a permanent endowment.

Lastly, I introduce a bill to provide sufficient funding for Puerto Rico and the Territories' Children's Health Insurance Programs (CHIP).

The Balanced Budget Act of 1997 established CHIP as a grant to states to cover uninsured low-income children. We provided approximately $20 billion in the first five years. The original allocation formula would have provided only 0.25 percent of the funding to Puerto Rico and the Territories.

Recognizing that this allocation provided insufficient funding for CHIP programs in Puerto Rico and the Territories, Congress increased their allotments by $32 million in the Omnibus Consolidated and Emergency Supplemental Appropriations Act for FY 1999. However, this increase was provided for Fiscal Year 1999 only.

This bill would increase the allotments for Puerto Rico and the Territories for future years such that funding would equal about one percent of the total grant funding. Puerto Rico and the Territories account for about 1.52 percent of the nation's population. This would increase funding in Fiscal Year 2000 to $34.2 million. I urge my colleagues' support for this modest but significant legislation.

In an era of open borders, expanding trade, and increasingly interlinked economic ties, the United States should not punish Puerto Rico by selectively applying some laws while denying the benefits of others. Economic conditions in Puerto Rico warrant special consideration. While the United States is enjoying the benefits of an historically unprecedented period of economic expansion, unemployment among Puerto Rico's 3.5 million inhabitants remains high at 12.5 percent. The needs of Puerto Rico, and the importance of this provision, were magnified by the devastation recently

caused by Hurricane Georges. Mr. President, now is the time to reinforce our close economic relationship with Puerto Rico. I hope my colleagues in the Senate will join me in working toward swift passage of these measures.

Finally, Mr. President I ask unanimous consent that the text of the four measures be printed in full in the RECORD.

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

S. 212

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Puerto Rico Economic Activity Credit Improvement Act of 1999''.

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

SEC. 2. MODIFICATIONS OF PUERTO RICO ECONOMIC ACTIVITY CREDIT.

(a) CORPORATIONS ELIGIBLE TO CLAIM CREDIT.—Section 30A(a)(2) (defining qualified domestic corporation) is amended to read as follows:

''(2) QUALIFIED DOMESTIC CORPORATION.—For purposes of paragraph (1)—

''(A) IN GENERAL.—A domestic corporation shall be treated as a qualified domestic corporation for a taxable year if it is actively conducting within Puerto Rico during the taxable year—

''(i) a line of business with respect to which the domestic corporation is an existing credit claimant under section 936(j)(9), or

''(ii) an eligible line of business not described in clause (i).

''(B) LIMITATION TO LINES OF BUSINESS.—A domestic corporation shall be treated as a qualified domestic corporation under subparagraph (A) only with respect to the lines of business described in subparagraph (A) which it is actively conducting in Puerto Rico during the taxable year.

''(C) EXCEPTION FOR CORPORATIONS ELECTING REDUCED CREDIT.—A domestic corporation shall not be treated as a qualified domestic corporation if such corporation (or any predecessor) had an election in effect under section 936(a)(4)(B)(iii) for any taxable year beginning after December 31, 1996.''

(b) APPLICATION ON SEPARATE LINE OF BUSINESS BASIS; ELIGIBLE LINE OF BUSINESS.—Section 30A is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) APPLICATION ON LINE OF BUSINESS BASIS; ELIGIBLE LINES OF BUSINESS.—For purposes of this section—

''(1) APPLICATION TO SEPARATE LINE OF BUSINESS.—

''(A) IN GENERAL.—In determining the amount of the credit under subsection (a), this section shall be applied separately with respect to each substantial line of business of the qualified domestic corporation.

''(B) EXCEPTIONS FOR EXISTING CREDIT CLAIMANT.—This paragraph shall not apply to a substantial line of business with respect to which the qualified domestic corporation is an existing credit claimant under section 936(j)(9).

''(C) ALLOCATION.—The Secretary shall prescribe rules necessary to carry out the purposes of this paragraph, including rules—

''(i) for the allocation of items of income, gain, deduction, and loss for purposes of determining taxable income under subsection (a), and

''(ii) for the allocation of wages, fringe benefit expenses, and depreciation allowances for purposes of applying the limitations under subsection (d).

''(2) ELIGIBLE LINE OF BUSINESS.—The term 'eligible line of business' means a substantial line of business in any of the following trades or businesses:

''(A) Manufacturing.

''(B) Agriculture.

''(C) Forestry.

''(D) Fishing.

''(3) SUBSTANTIAL LINE OF BUSINESS.—For purposes of this subsection, the determination of whether a line of business is a substantial line of business shall be determined by reference to 2-digit codes under the North American Industry Classification System (62 Fed. Reg. 17288 et seq., formerly known as 'SIC codes').''

(c) REPEAL OF BASE PERIOD CAP.—

(1) IN GENERAL.—Section 30A(a)(1) (relating to allowance of credit) is amended by striking the last sentence.

(2) CONFORMING AMENDMENT.—Section 30A(e)(1) is amended by inserting ''but not including subsection (j)(3)(A)(ii) thereof'' after ''thereunder''.

(d) APPLICATION OF CREDIT.—Section 30A(h) (relating to applicability of section), as redesignated by subsection (b), is amended by striking ''January 1, 2006'' and inserting ''January 1, 2009''.

(e) CONFORMING AMENDMENTS.—

(1) Section 30A(b) is amended by striking ''within a possession'' each place it appears and inserting ''within Puerto Rico''.

(2) Section 30A(d) is amended by striking ''possession'' each place it appears.

(3) Section 30A(f) is amended to read as follows:

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

''(1) QUALIFIED INCOME TAXES.—The qualified income taxes for any taxable year allocable to nonsheltered income shall be determined in the same manner as under section 936(i)(3).

''(2) QUALIFIED WAGES.—The qualified wages for any taxable year shall be determined in the same manner as under section 936(i)(1).

''(3) OTHER TERMS.—Any term used in this section which is also used in section 936 shall have the same meaning given such term by section 936.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 3. COMPARABLE TREATMENT FOR OTHER ECONOMIC ACTIVITY CREDIT.

(a) CORPORATIONS ELIGIBLE TO CLAIM CREDIT.—Section 936(j)(2)(A) (relating to economic activity credit) is amended to read as follows:

''(A) ECONOMIC ACTIVITY CREDIT.—

''(i) IN GENERAL.—In the case of a domestic corporation which, during the taxable year, is actively conducting within a possession other than Puerto Rico—

''(I) a line of business with respect to which the domestic corporation is an existing credit claimant under paragraph (9), or

''(II) an eligible line of business not described in subclause (I),

the credit determined under subsection (a)(1)(A) shall be allowed for taxable years beginning after December 31, 1995, and before January 1, 2002.

''(ii) LIMITATION TO LINES OF BUSINESS.—Clause (i) shall only apply with respect to the lines of business described in clause (i) which the domestic corporation is actively conducting in a possession other than Puerto Rico during the taxable year.

''(iii) EXCEPTION FOR CORPORATIONS ELECTING REDUCED CREDIT.—Clause (i) shall not apply to a domestic corporation if such corporation (or any predecessor) had an election in effect under subsection (a)(4)(B)(iii) for any taxable year beginning after December 31, 1996.''

(b) APPLICATION ON SEPARATE LINE OF BUSINESS BASIS; ELIGIBLE LINE OF BUSINESS.—

(1) IN GENERAL.—Section 936(j) is amended by adding at the end the following new paragraph:

''(11) APPLICATION ON LINE OF BUSINESS BASIS; ELIGIBLE LINES OF BUSINESS.—For purposes of this section—

''(A) APPLICATION TO SEPARATE LINE OF BUSINESS.—

''(i) IN GENERAL.—In determining the amount of the credit under subsection (a)(1)(A) for a corporation to which paragraph (2)(A) applies, this section shall be applied separately with respect to each substantial line of business of the corporation.

''(ii) EXCEPTIONS FOR EXISTING CREDIT CLAIMANT.—This paragraph shall not apply to a line of business with respect to which the qualified domestic corporation is an existing credit claimant under paragraph (9).

''(iii) ALLOCATION.—The Secretary shall prescribe rules necessary to carry out the purposes of this subparagraph, including rules—

''(I) for the allocation of items of income, gain, deduction, and loss for purposes of determining taxable income under subsection (a)(1)(A), and

''(II) for the allocation of wages, fringe benefit expenses, and depreciation allowances for purposes of applying the limitations under subsection (a)(4)(A).

''(B) ELIGIBLE LINE OF BUSINESS.—For purposes of this subsection, the term 'eligible line of business' means a substantial line of business in any of the following trades or businesses:

''(i) Manufacturing.

''(ii) Agriculture.

''(iii) Forestry.

''(iv) Fishing.''

(2) NEW LINES OF BUSINESS.—Section 936(j)(9)(B) is amended to read as follows:

''(B) NEW LINES OF BUSINESS.—A corporation shall not be treated as an existing credit claimant with respect to any substantial new line of business which is added after October 13, 1995, unless such addition is pursuant to an acquisition described in subparagraph (A)(ii).''

(3) SEPARATE LINES OF BUSINESS.—Section 936(j), as amended by paragraph (1), is amended by adding at the end the following new paragraph:

''(12) SUBSTANTIAL LINE OF BUSINESS.—For purposes of this subsection (other than paragraph (9)(B) thereof), the determination of whether a line of business is a substantial line of business shall be determined by reference to 2-digit codes under the North American Industry Classification System (62 Fed. Reg. 17288 et seq., formerly known as 'SIC codes').''

(c) REPEAL OF BASE PERIOD CAP FOR ECONOMIC ACTIVITY CREDIT.—

(1) IN GENERAL.—Section 936(j)(3) is amended to read as follows:

''(3) ADDITIONAL RESTRICTED REDUCED CREDIT.—

''(A) IN GENERAL.—In the case of an existing credit claimant to which paragraph (2)(B) applies, the credit determined under subsection (a)(1)(A) shall be allowed for any taxable year beginning after December 31, 1998, and before January 1, 2006, except that the aggregate amount of taxable income taken into account under subsection (a)(1)(A) for such taxable year shall not exceed the adjusted base period income of such claimant.

''(B) COORDINATION WITH SUBSECTION (a)(4)(B).—The amount of income described in subsection (a)(1)(A) which is taken into account in applying subsection (a)(4)(B) shall be such income as reduced under this paragraph.''

(2) CONFORMING AMENDMENTS.—

(A) Section 936(j)(2)(A), as amended by subsection (a), is amended by striking ''2002'' and inserting ''2006''.

(B) Section 30A(e)(1), as amended by section 2(c)(2), is amended by striking ''subsection (j)(3)(A)(ii)'' and inserting ''the exception under subsection (j)(3)(A)''.

(d) APPLICATION OF CREDIT.—

(1) IN GENERAL.—Section 936(j)(2)(A), as amended by this section, is amended by striking ''January 1, 2006'' and inserting ''January 1, 2009''.

(2) SPECIAL RULES FOR APPLICABLE POSSESSIONS.—Section 936(j)(8)(A) is amended to read as follows:

''(A) IN GENERAL.—In the case of an applicable possession—

''(i) this section (other than the preceding paragraphs of this subsection) shall not apply for taxable years beginning after December 31, 1995, and before January 1, 2006, with respect to any substantial line of business actively conducted in such possession by a domestic corporation which is an existing credit claimant with respect to such line of business, and

''(ii) this section (including this subsection) shall apply—

''(I) with respect to any substantial line of business not described in clause (i) for taxable years beginning after December 31, 1998, and before January 1, 2009, and

''(II) with respect to any substantial line of business described in clause (i) for taxable years beginning after December 31, 2006, and before January 1, 2009.''

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) NEW LINES OF BUSINESS.—The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1995.

S. 213

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

SECTION 1. REPEAL OF LIMITATION OF COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 7652 (relating to limitation on cover over of tax on distilled spirits) is amended by striking subsection (f) and by redesignating subsection (g) as subsection (f).

(b) CONFORMING AMENDMENTS.—Section 7652(f) of such Code (as so redesignated) is amended by striking ''subsection (f) of this section'' in paragraph (1)(B) and inserting ''section 5001(a)(1)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to articles containing distilled spirits that are tax-determined after September 30, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—For the 5-year period beginning after September 30, 1999, the treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days from the date of each cover over payment made during such period to such treasury under section 7652(e) of the Internal Revenue Code of 1986.

(B) CONSERVATION TRUST FUND TRANSFER.—

(i) IN GENERAL.—For purposes of this paragraph, the term ''Conservation Trust Fund transfer'' means a transfer to the Puerto Rico Conservation Trust Fund of an amount equal to 50 cents per proof gallon of the taxes imposed under section 5001 or section 7652 of such Code on distilled spirits that are covered over to the treasury of Puerto Rico under section 7652(e) of such Code.

(ii) TREATMENT OF TRANSFER.—Each Conservation Trust Fund transfer shall be treated as principal for an endowment, the income from which to be available for use by the Puerto Rico Conservation Trust Fund for the purposes for which the Trust Fund was established.

(ii) RESULT OF NONTRANSFER.—

(I) IN GENERAL.—Upon notification by the Secretary of the Interior that a Conservation Trust Fund transfer has not been made by the treasury of Puerto Rico during the period described in subparagraph (A), the Secretary of the Treasury shall, except as provided in subclause (II), deduct and withhold from the next cover over payment to be made to the treasury of Puerto Rico under section 7652(e) of such Code an amount equal to the appropriate Conservation Trust Fund transfer and interest thereon at the underpayment rate established under section 6621 of such Code as of the due date of such transfer. The Secretary of the Treasury shall transfer such amount deducted and withheld, and the interest thereon, directly to the Puerto Rico Conservation Trust Fund.

(II) GOOD CAUSE EXCEPTION.—If the Secretary of the Interior finds, after consultation with the Governor of Puerto Rico, that the failure by the treasury of Puerto Rico to make a required transfer was for good cause, and notifies the Secretary of the Treasury of the finding of such good cause before the due date of the next cover over payment following the notification of nontransfer, then the Secretary of the Treasury shall not deduct the amount of such nontransfer from any cover over payment.

(C) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this paragraph, the term ''Puerto Rico Conservation Trust Fund'' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.

S. 214

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

SECTION 1. EXTENSION OF RESEARCH CREDIT TO RESEARCH IN PUERTO RICO AND THE POSSESSIONS OF THE UNITED STATES.

(a) IN GENERAL.—Section 41(d)(4)(F) of the Internal Revenue Code of 1986 (relating to foreign research) is amended by inserting '', the Commonwealth of Puerto Rico, or any possession of the United States'' after ''United States''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

S. 215

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

SECTION 1. INCREASED ALLOTMENTS FOR TERRITORIES UNDER THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

Section 2104(c)(4)(B) of the Social Security Act (42 U.S.C. 1397dd(c)(4)(B)), as added by the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277), is amended by inserting '', $34,200,000 for each of fiscal years 2000 and 2001, $25,200,000 for each of fiscal years 2002 through 2004, $32,400,000 for each of fiscal years 2005 and 2006, and $40,000,000 for fiscal year 2007'' before the period.

By Mr. MOYNIHAN (for himself and Mr. JEFFORDS):

S. 216. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the use of foreign tax credits under the alternative minimum tax; to the Committee on Finance.

LEGISLATION TO REPEAL THE LIMITATION ON FOREIGN TAX CREDITS UNDER THE CORPORATE ALTERNATIVE MINIMUM TAX

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation on behalf of myself and my Finance Committee colleague, Senator JEFFORDS, to repeal a limitation in the Tax Code that results in the double taxation of certain foreign source income. The issue involves the effect of the corporate alternative minimum tax on income earned abroad by United States companies. Correction of this policy flaw is of significant importance to the affected companies, their current and future employees, and their shareholders.

The U.S. taxes the worldwide income of its corporations, citizens and residents. Under the U.S. Tax Code, U.S. bilateral treaties, and international norms, it is generally accepted that income with a nexus to two countries should not be taxed by both jurisdictions, and that the jurisdiction in which active business income is earned typically should have the primary right to tax that income. To effectuate these principles and to avoid double taxation, the U.S. tax laws—since the Revenue Act of 1918—allow U.S. taxpayers to claim a foreign tax credit with respect to foreign income taxes paid on foreign source income, and thereby reduce U.S. income taxes on such income.

It should be emphasized that the foreign tax credit is not a tax ''loophole'' or ''preference.'' Rather, as noted by the U.S. Supreme Court in the 1932 case of Burnet versus Chicago, ''the primary design'' of the foreign tax credit system is to ''mitigate the evil of double taxation.''

However, in enacting the Tax Reform Act of 1986, Congress concluded that this salutary purpose was outweighed by another. At that time, Congress was concerned with a serious problem: repeated instances of large corporations

with substantial economic profits (reported to shareholders in their annual reports) paying little or no Federal income taxes. In response, Congress rewrote the corporate alternative minimum tax.

Congress had specific purposes in mind in rewriting the minimum tax. First, as noted by the Joint Tax Committee in its General Explanation of the Tax Reform Act of 1986:

> . . . Congress decided that it was inherently unfair for high-income taxpayers to pay little or no tax due to their ability to utilize tax preferences.

An obvious and incontrovertible sentiment. Yet, as noted above, foreign tax credits are not tax preferences or loopholes.

Congress was also concerned with appearances. The Joint Tax Committee Explanation continued:

> . . . Congress concluded that there must be a reasonable certainty that, whenever a company publicly reports significant earnings, that company will pay some tax for the year.

No argument here. And Congress ensured that companies reporting profits would in fact pay tax by, among other changes, requiring corporations to increase their ''alternative minimum taxable income'' by a percentage of the income reported on financial statements, and requiring the use of a slower depreciation schedule rather than accelerated depreciation for purposes of cost recovery.

But what about foreign tax credits? The Joint Tax Committee Explanation stated:

> . . . While Congress viewed allowance of the foreign tax credit . . . as generally appropriate for minimum tax purposes, it was considered fair to mandate at least a nominal tax contribution from all U.S. taxpayers with substantial economic income.

To state it less elegantly, Congress believed that limited double taxation of a corporation's foreign source income was a lesser evil than allowing a corporation to fully use its foreign tax credits. The 1986 tax act provided that foreign tax credits could be used to offset up to 90 percent of a corporation's minimum tax liability. Thus, affected taxpayers pay at least 10 percent of their alternative minimum tax, no matter that the tax relates to foreign source income earned in a high-tax foreign jurisdiction and that the taxpayer has paid tax on that income.

Although Congress believed the 90 percent restriction to have been fair policy in 1986, the restriction can no longer be justified.

First, we now have a decade of experience over which to judge the effect of the restriction. I am aware of at least one key employer in New York that alone has paid significant amounts of minimum tax due to this provision, some of which was incurred in years during which the company reported losses on a worldwide basis.

Second, since the 1986 Act, there have been a number of significant modifications to the minimum tax. For example, the Taxpayer Relief Act of 1997 allows large corporate taxpayers to use accelerated depreciation under the minimum tax, and it repealed the minimum tax in its entirety for corporations with gross receipts of $5 million or less. In addition, the Energy Policy Act of 1992 allowed taxpayers to claim tax benefits under the minimum tax relating to oil & gas intangible drilling costs. Considering the post-1986 relaxations of the minimum tax, little purpose remains in the 90 percent limitation.

Finally, since 1986, many of our largest businesses have seen tremendous expansion in their exports and foreign sales, thus substantially increasing the amount of foreign source income. At the same time, these companies must compete with foreign companies that do not have to bear double taxation. As my friend Senator Alfonse D'Amato noted when introducing similar legislation last year:

> The result is double (and even triple) taxation of income that is used to support U.S. jobs, R&D and other activities.

The restriction can no longer be justified.

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

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

S. 216

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

SECTION 1. REPEAL OF LIMITATION ON FOREIGN TAX CREDIT UNDER ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 59(a) of the Internal Revenue Code of 1986 (relating to alternative minimum tax foreign tax credit) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) CONFORMING AMENDMENTS.—Section 53(d)(1)(B)(i)(II) of such Code is amended by striking ''and if section 59(a)(2) did not apply''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

Mr. JEFFORDS. Mr. President, today, I am joining with my colleague from New York, Senator MOYNIHAN, to introduce a bill that will eliminate an aspect of our internal revenue laws that is fundamentally unfair to taxpayers with income from foreign sources.

Under our system of taxation, U.S. citizens and domestic corporations earning income from sources outside the United States are subject to U.S. tax on that foreign-source income. In all likelihood, that income will also be subject to tax by the country where it was earned. Thus, the same income could be taxed twice, by two different countries. To guard against the double taxation of this income, the tax code allows taxpayers to offset their U.S. tax on foreign-source income with the foreign taxes paid on that income. This is accomplished by means of a foreign tax credit; that is, the foreign tax paid on foreign source income is credited against the U.S. tax that would otherwise be payable on that income. The details of the foreign tax credit rules are extraordinarily complex. (Indeed, virtually all of the Internal Revenue Code's provisions governing international taxation are complex.) The basic principle underlying the foreign tax credit rules, however, is simple: to provide relief from multiple taxation of the same income.

Many U.S. taxpayers have to perform two tax computations. First, they compute their ''regular tax.'' Then, they compute their ''alternative minimum tax'' (AMT). As a rule, taxpayers pay the larger of these two computations, the ''regular tax'' or the AMT. The AMT was enacted to ensure that taxpayers qualifying for various tax ''preferences'' allowed by the Internal Revenue Code must pay a minimum amount of tax. While foreign tax credits guard against double taxation in the ''regular tax'' computation, the principle of providing relief from double taxation falls by the wayside in the AMT computation. Under AMT rules, the allowable foreign tax credit is unlimited to 90 percent of a taxpayer's alternative minimum tax liability. Because of this limitation, income subject to foreign tax is also subject to U.S. tax. This rule operates to ensure double taxation, and the result is double (and even triple) taxation of income.

There is no sound policy reason for denying relief from double taxation to taxpayers subject to the AMT. The foreign tax credit is not a ''preference'' that serves as an incentive for a particular activity or behavior, rather, it simply reflects the fundamental principle that income should not be subject to multiple taxation. The 90 percent limitation was enacted as part of the 1986 tax bill solely as a method of raising revenue. The bill that Senator MOYNIHAN and I are introducing today will eliminate the AMT's 90 percent limitation on foreign tax credits. Eliminating this limitation will mean that taxpayers subject to the AMT will get the same relief from double taxation allowed to taxpayers subject to the regular tax.

By Mr. MOYNIHAN (for himself, Mr. INOUYE, and Mr. WELLSTONE):

S. 217. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of charitable transfers of collections of personal papers with a separate right to control access; to the Committee on Finance.

LEGISLATION TO ENCOURAGE DONATIONS OF PERSONAL PAPERS TO HISTORICAL AND EDUCATIONAL ORGANIZATIONS

Mr. MOYNIHAN. Mr. President, today I am introducing legislation on behalf of myself and Senators INOUYE and WELLSTONE to correct a little-known estate and gift tax provision that may inadvertently penalize persons who donate their personal papers and related items to a charitable organization for the historical record.

The issue arises in connection with the donation of personal papers and related items to a university, library, historical society, or other charitable organizations. In general, such a transfer has no estate or gift tax consequences. While the value of any such transfer may be subject to taxation as a theoretical matter, as a practical matter the gift will not be taxed because a corresponding charitable deduction would be available. This is as it should be: the donor receives neither a tax benefit nor a tax burden, and the tax law is not a factor in the decision to make such a donation.

Recently, however, estate planning lawyers have become concerned about situations in which such a gift might give rise to adverse tax consequences. The situation occurs where the donor retains (or transfers to his or her surviving spouse or children) various rights in the papers donated, such as a right to limit or control access. The restrictions might be in place for many understandable reasons, such as to protect the privacy of colleagues, correspondents, staffs, family and friends. Depending on how the retained rights are described in a deed of gift or will, and how such rights are treated under state law, the retention of various rights may cause the gift to fail to qualify for a charitable deduction under the estate and gift tax.

The problem arises under a series of rules enacted in the Tax Reform Act of 1969 that were designed to prevent abuses in the transfer tax system. These rules were written, in part, to address situations involving taxpayers who claimed a charitable contribution deduction significantly in excess of the value of property that the charity was expected to receive. This result was accomplished by making a charitable gift in the form of an income or remainder interest in a trust, claiming an inflated charitable deduction through favorable valuation methods, and adopting an investment policy for the trust that significantly favored the noncharitable interest to the detriment of the charitable interest. In response, Congress established certain requirements to ensure that the charity would actually receive the portion of the property for which a deduction was allowed, and to deny a charitable deduction in cases where a ''split-interest'' gift was made that did not meet the specified requirements.

These rules were not intended to apply to the donation of historically important papers. Unlike the abusive situations of the past where charities were unlikely to receive the benefit of the purported gifts, in this situation the charity takes physical possession of the collection of papers. This is not a tax scheme designed to exploit weak rules.

I stated that there ''may'' be a problem with the estate and gift tax law because it is not clear whether the split-interest rule would disallow a charitable deduction in situations where donors have retained various rights to control and limit access to their papers. When do such limited rights reach the point of being recognized as a type of ownership interest under state law? I suspect that many prominent people have donated their papers in the past thirty years with similar restrictions, in reliance on documents prepared by knowledgeable legal advisors and curators, and never imagined that there could be adverse tax consequences.

One way to get around this problem would be to avoid restrictions on the use of the papers. But that may not be practical, advisable, or desirable.

We can look to those who served across the street, in the Supreme Court of the United States, for examples of the types of restrictions that have been imposed on donations of important papers of public figures. Chief Justice Earl Warren, who donated his papers to the Library of Congress, restricted access to those papers for 10 years after his death. Justice Hugo Black, who also donated his papers to the Library of Congress, restricted access during the lifetime of his heirs, and required that permission be obtained from the executors of his estate to use the collection, to publish any writings in the collection, or to publish any writings about them. Justice Potter Stewart donated his papers to the Library of Congress with the restriction that all Court materials be closed pending retirement of all justices who served on the Supreme Court with him.

In contrast, Justice Thurgood Marshall donated his papers to ''be made available to the public at the discretion of the library,'' with the only restriction being that the use of the donated materials ''be limited to private study on the premises of the library by researchers or scholars engaged in serious research.'' This was interpreted to allow journalists to access the papers. The publication of certain information contained in the materials shortly after Justice Marshall's death was criticized. Indeed, Chief Justice William Rehnquist warned that Supreme Court Justices might no longer donate their papers to the Library of Congress.

Certainly, retained rights can have value, and could be subjected to commercial exploitation. One can imagine a publishing house would want access to the papers of prominent Members, Congressmen, or others, for use in biographies or on books related to the events that they helped shape.

However, any opportunity to retain and bequeath commercially exploitable rights in historical papers free of estate taxes is of little importance relative to the need to preserve the documents for scholarly research. Consider decision memoranda from key aides, correspondence, notes of strategy sessions, recordings of telephone conversations such as those made by President Lyndon Johnson and only now being aired—will these documents be destroyed if the choice were to open the items upon death or to pay an estate tax on them? Consider Chief Justice Rehnquist's chilling warning.

Yet, in most if not all cases, any retained rights can be expected to have little realizable value, and opportunities for commercial exploitation would appear to be quite limited in scope.

To this Senator, the right thing to do is clear. I am introducing legislation to clarify the tax law. In brief, this legislation provides that a person may retain and bequeath limited qualified rights to a collection of papers and related items. I.e., a collection substantially all the items of which are in the form of letters, memoranda, notes, and similar materials. Qualified rights would include the right of access to the materials, and the right to designate, limit, and control access to the materials, for a period of time not to exceed 25 years after the death of the person who created (or collected) the materials.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD, along with a letter from our Senate Legal Counsel.

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

S. 217

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

SECTION 1. TAX TREATMENT OF CHARITABLE TRANSFERS OF COLLECTIONS OF PERSONAL PAPERS WITH SEPARATE RIGHT TO CONTROL ACCESS.

(a) IN GENERAL.—Chapter 14 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''SEC. 2705. TREATMENT OF CHARITABLE TRANSFERS OF COLLECTIONS OF PERSONAL PAPERS WITH SEPARATE RIGHT TO CONTROL ACCESS.

''(a) GENERAL RULE.—For purposes of this subtitle, if—

''(1) an individual transfers an interest in qualified property to a person, or for a use described in section 2055(a) or section 2522 (a) or (b), and

''(2) the individual retains or transfers to another person the right to control access to such property for a period not to exceed 25 years after the death of the individual,

sections 2036, 2038, 2055(e)(2), and 2522(c)(2) shall not apply solely by reason of the individual retaining or transferring such right.

''(b) SPECIAL RULES RELATING TO TRANSFER OF RIGHT TO CONTROL ACCESS.—If any individual transfers the right to control access

described in subsection (a) to another person for less than an adequate and full consideration in money or money's worth—

''(1) no tax shall be imposed under this subtitle by reason of the transfer, and

''(2) if the transfer involves the right being acquired, or passed, from a decedent, section 1014 shall not apply and the basis of the right in the hands of the transferee shall be determined under rules similar to the rules under section 1015.

''(c) QUALIFIED PROPERTY.—For purposes of this section, the term 'qualified property' means a collection substantially all of the items of which are in the form of letters, memoranda, or similar property described in section 1221(3).''

(b) CONFORMING AMENDMENTS.—

(1) The heading for chapter 14 of such Code is amended to read as follows:

''CHAPTER 14—SPECIAL VALUATION RULES; RULES AFFECTING SUBTITLE''.

(2) The item relating to chapter 14 in the table of chapters of subtitle B of such Code is amended by striking ''rules.'' and inserting ''rules; rules affecting subtitle.''

(3) The table of sections of chapter 14 of such Code is amended by adding at the end the following new item:

''Sec. 2705. Treatment of charitable transfers of collections of personal papers with separate right to control access.''

(c) EFFECTIVE DATE.—The amendments made by this section apply to any transfer made before, on, or after the date of enactment of this Act.

U.S. SENATE,
OFFICE OF SENATE LEGAL COUNSEL,
Washington, DC, June 25, 1997.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOYNIHAN:

I am writing to bring to your attention a recent interpretation of federal gift and estate tax law that threatens to interrupt the flow of historically significant papers of our Nation's academic and historical research institutions from public officials and public figures, including Members of Congress. Over the past decades, public officials have regularly donated their personal papers to educational institutions or historical societies, often upon their retirement, or bequeathed the papers at time of death. Senators and other public officials typically restrict access to portions of their papers for a period of years after donation or bequest, in order to protect the privacy interests of their correspondents, constituents, staffs, and others. These donations provide the donors with no income tax benefit, as government papers do not generate a personal income tax deduction under the Internal Revenue Code.

The shared understanding up until now has been that such donations also have no gift or estate tax consequence to the donor, as long as the donation is made to a recognized charitable organization. However, under a recent interpretation of provisions of the gift and estate tax law that render gifts of partial property interests ineligible for the charitable deduction, the retained right to control access to papers after they are donated or bequeathed could disqualify these charitable gifts from the charitable gift and estate tax deductions. This interpretation would render charitable gifts of personal papers with a retained right to control access subject to substantial and undeserved gift and estate taxation.

The possibility that these gift and estate tax provisions could be interpreted to apply to gifts and bequests of historical papers where rights of public access remain discretionary for a period of time has deterred a number of Senators in recent months from completing their plans to donate their Senate papers to charitable institutions. Our office has been in contact with a number of Senators whose plans to donate their Senate papers have been interrupted by this problem. It is unlikely that public officials will be willing to make charitable donations of their papers until this issue can be resolved so as to accommodate the important interests in both scholarly preservation and privacy.

Consideration of a legislative amendment to the charitable gift and estate tax deduction provisions to clarify that charitable gifts and bequests of public figures' papers are intended to be free from taxation would serve the public interest in ensuring that the personal records of Senators and other officials and public figures are preserved in the public domain so that they may one day become available to scholars and researchers who document our Nation's history.

Sincerely,

MORGAN J. FRANKEL.

By Mr. MOYNIHAN (for himself, Mr. SCHUMER, and Mr. DURBIN):

S. 218. A bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits; to the Committee on Finance.

TEMPORARILY REDUCING THE TARIFFS ON CERTAIN WOOL FABRIC

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to correct an anomaly in our tariff schedule that harms American companies like Hickey-Freeman and other producers of fine wool suits. I refer of course to the tariff on fine wool fabric. Hickey-Freeman has produced fine tailored suits in Rochester, New York since 1899. However, the U.S. tariff schedule currently makes it difficult for Hickey-Freeman to continue producing such suits in the United States.

Companies like Hickey-Freeman that must import the very high quality wool fabric used to make men's and boys' suits pay a tariff of 30.6 percent. They compete with companies that import finished wool suits from a number of countries. If these imported suits are from Canada or Mexico, the importers pay no tariff whatever. From other countries, the importers pay a compound duty of 19.2 percent plus 26.4 cents per kilogram, or about 19.8 percent ad valorem. Clearly, domestic manufacturers of wool suits are placed at a significant price disadvantage. Indeed, the tariff structure provides an incentive to import finished suits from abroad, rather than manufacture them in the United States.

The bill Senators SCHUMER, DURBIN and I are introducing today would correct this problem, at least temporarily. It suspends through December 31, 2004 the duty on the finest wool fabrics (known in the trade as Super 90s or higher grade)—fabrics that are produced in only very limited quantities in the United States. And it would reduce the duty for slightly lower grade but still very fine wool fabric (known as Super 70s and Super 80s) to 19.8 percent—equivalent to the duty that applies to most finished wool suits. The bill also provides that, in the event the President proclaims a duty reduction on wool suits, corresponding changes would be made to the tariffs applicable to ''Super 70s'' and ''Super 80s'' grade wool fabric.

I introduced a similar measure last year. I do so again because of the obvious inequity of this tariff inversion, which so clearly puts U.S. producers and workers at a competitive disadvantage. This bill represents a small step toward modifying a tariff schedule that favors foreign producers of wools suits at the expense of U.S. suit makers. We should do so permanently, and perhaps, in time, will do so. In the meantime, we ought to make this modest start.

I ask unanimous consent that the text of the bill be inserted in the RECORD.

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

S. 218

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

SECTION 1. DUTY TREATMENT OF CERTAIN FABRICS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended—

(1) by adding at the end of the U.S. notes the following new note:

''13. For purposes of headings 9902.51.11 and 9902.51.12, the term 'suit' has the same meaning such term has for purposes of headings 6203 and 6204.''; and

(2) by inserting in numerical sequence the following new headings:

''	9902.51.11	Fabrics, of carded or combed wool, all the foregoing certified by the importer as 'Super 70's' or 'Super 80's' intended for use in making suits, suit-type jackets or trousers (provided for in subheadings 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90)	19.8%	No change	No change	On or before 12/31/2004

9902.51.12	Fabrics, of carded or combed wool, all the foregoing certified by the importer as 'Super 90's' or higher grade intended for use in making suits, suit-type jackets or trousers (provided for in subheadings 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90)	Free	Free (CA, IL, MX)	No change	On or before 12/31/2004	''.

(b) STAGED RATE REDUCTION.—Any staged reduction of a rate of duty set forth in heading 6203.31.00 of the Harmonized Tariff Schedule of the United States that is proclaimed by the President on or after the date of enactment of this Act shall also apply to the corresponding rate of duty set forth in heading 9902.51.11 of such Schedule (as added by subsection (a)).

(c) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

By Mr. MOYNIHAN:

S. 219. A bill to authorize appropriations for the United States Customs Service; to the Committee on Finance.

THE NORTHERN BORDER TRADE FACILITATION ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce the Northern Border Trade Facilitation Act, a bill that addresses the urgent need for increased Customs inspectors and technology along the U.S.-Canadian border.

The U.S.-Canadian border is the longest undefended border in the world. Canada is also our largest trading partner, with two-way trade surpassing $1 billion a day. Yet, the resources that we have provided to the Customs Service to process traffic and trade across this border are woefully deficient. In a hearing before the Senate Finance Committee in September 1998, we learned that the current number of authorized Customs inspectors working on the northern border remains essentially the same as it was in 1980, despite the fact that the number of commercial entries they must process has increased sixfold since then, from 1 million to 6 million per year. The increased workload reflects of course the tremendous growth in U.S.-Canada trade: two-way trade in 1988, the year before the U.S.-Canada Free Trade Agreement entered into force, was $194 billion. By 1997, the volume had doubled—to $387 billion. There has also been an enormous expansion in both commercial and passenger traffic across this border.

The resources available to the Customs Service over the last decade have not kept pace with this enormous growth in workload. As a result, increased congestion and delays are evident at crossings all along the U.S.-Canadian border.

This bill aims to correct these problems by authorizing the additional manpower and technology necessary to handle the increase in trade and traffic between the United States and Canada. In particular, this bill authorizes 375 additional ''primary lane'' inspectors and 125 new cargo inspectors for the northern border, as well as 40 special agents and 10 intelligence agents. The bill also authorizes $29.240 million for equipment and technology for the northern border.

The bill will also accord Customs the statutory authorization to continue providing so-called ''preclearance services,'' whereby Customs inspects passengers and baggage prior to their departure from a foreign country rather than upon arrival in the United States. This program began in 1952 and has helped facilitate travel and decrease congestion at JFK international Airport and other ports of entry. Customs has indicated that without this new statutory authority, it will be unable to continue providing these services.

Finally, this legislation gives Customs the authority to use $50 million of the total amounts collected from the merchandise processing fee to modernize its automated commercial systems used to track and process imports and exports. Customs' efforts to modernize these systems are several years behind schedule and underfunded. The funds authorized by this bill constitute an essential step in providing Customs with the necessary resources to continue its modernization efforts.

I ask unanimous consent that the text of the bill be inserted in the RECORD.

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

S. 219

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 ''Northern Border Trade Facilitation Act''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States and Canada share the longest undefended border in the world.

(2) The United States and Canada enjoy the world's largest bilateral trading relationship, and that relationship is continuing to expand. Two-way trade between the United States and Canada has more than doubled since the United States-Canada Free Trade Agreement was implemented, increasing from $153,000,000,000 in 1988 to $320,000,000,000 in 1997.

(3) On February 24, 1995, the United States and Canada agreed to the Canada/United States of America Accord on Our Shared Border (in this Act referred to as the ''Shared Border Accord'') to promote common objectives along the border, including—

(A) facilitating the movement of commercial goods and people between both countries;

(B) reducing the costs of border management; and

(C) enhancing protections against drugs, smuggling, and the illegal and irregular movement of people.

(4) The Shared Border Accord has already resulted in increased harmonization, shared training, and joint facilities between United States and Canadian customs agencies.

(5) Increased trade has resulted in a significant increase in merchandise entries and cross-border traffic between the United States and Canada. For example—

(A) formal entries of merchandise on the Northern border have increased sixfold from 1,000,000 in 1980 to 6,000,000 in 1997;

(B) the number of individuals crossing the Northern border has more than doubled from 54,000,000 in 1989 to 112,000,000 in 1997; and

(C) approximately 40,000,000 privately-owned vehicles cross the Northern land border annually.

(6) The staffing and technology acquisitions of the Customs Service have not kept pace with the increased trade and traffic along the Northern border. For example—

(A) the current number of authorized United States Customs inspectors along the United States-Canadian border is essentially the same as the number employed in 1980;

(B) United States Customs understaffing is the primary cause of congestion at border crossings;

(C) Customs Service acquisitions of new technology for border management have been principally deployed on the Southern border despite the enormous growth in trade and traffic across the United States-Canadian border; and

(D) outmoded technologies and inadequate equipment have increased congestion along the Northern border.

(7) Since 1952, the Customs Service has performed preclearance activities in Canada, inspecting passengers and baggage prior to their departure from Canada rather than upon arrival in the United States. Such preclearance activities have facilitated the movement of people and merchandise across the United States-Canadian border.

(8) The Customs Service has stated that it is eliminating the preclearance positions because it believes that it no longer has the statutory authority to fund the positions.

(9) Loss of these positions would increase congestion and delays at United States ports as the Customs Service would require inspections to be performed in the United States, rather than abroad.

(b) PURPOSE.—The purpose of this Act is to facilitate commerce and the movement of people and traffic across the United States-Canadian border, while maintaining enforcement, by—

(1) authorizing the funds necessary to open all of the Customs Service's primary inspection lanes along the United States-Canadian border during peak hours;

(2) authorizing the funds necessary to supply the Customs Service with the appropriate advanced technology to conduct inspections along the United States-Canadian border and to participate fully in the Shared Border Accord;

(3) authorizing the Customs Service to pay for preclearance positions in Canada out of the funds already being collected from passenger processing fees; and

(4) authorizing the Customs Service to use a portion of the funds collected from the merchandise processing fee to develop automated commercial systems to facilitate the processing of merchandise.

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES CUSTOMS SERVICE FOR ENHANCED INSPECTION AND TRADE FACILITATION ALONG THE UNITED STATES-CANADIAN BORDER

SEC. 101. AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.

In order to reduce commercial delays and congestion, open all primary lanes during peak hours at ports on the northern border, and enhance the investigative resources of the Customs Service, there are authorized to be appropriated for salaries, expenses, and equipment for the United States Customs Service for purposes of carrying out this title—

(1) $75,896,800 for fiscal year 2000; and

(2) $43,931,790 for fiscal year 2001.

SEC. 102. PEAK HOURS AND INVESTIGATIVE RESOURCE ENHANCEMENT FOR THE UNITED STATES-CANADA BORDER.

Of the amounts authorized to be appropriated under section 101, $49,314,800 in fiscal year 2000 and $41,273,590 in fiscal year 2001 shall be for—

(1) a net increase of 375 inspectors for the United States-Canadian border, in order to open all primary lanes during peak hours and enhance investigative resources;

(2) a net increase of 125 inspectors to be distributed at large cargo facilities on the United States-Canadian border as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times; and

(3) a net increase of 40 special agents, and 10 intelligence analysts to facilitate the activities of the additional inspectors authorized by paragraphs (1) and (2).

SEC. 103. CARGO INSPECTION EQUIPMENT FOR THE UNITED STATES-CANADA BORDER.

(a) FISCAL YEAR 2000.—Of the amounts authorized to be appropriated in fiscal year 2000 under section 101, $26,582,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of cargo inspection equipment along the United States-Canadian border as follows:

(1) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(2) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(3) $3,600,000 for 4 1–MeV pallet x-rays.

(4) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(5) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(6) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(7) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(8) $600,000 for 30 fiber optic scopes.

(9) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate;

(10) $3,000,000 for 10 x-ray vans with particle detectors.

(11) $40,000 for 8 AM loop radio systems.

(12) $400,000 for 100 vehicle counters.

(13) $1,200,000 for 12 examination tool trucks.

(14) $2,400,000 for 3 dedicated commuter lanes.

(15) $1,050,000 for 3 automated targeting systems.

(16) $572,000 for 26 weigh-in-motion sensors.

(17) $480,000 for 20 portable Treasury Enforcement Communication Systems (TECS).

(b) FISCAL YEAR 2001.—Of the amounts made available for fiscal year 2001 under section 101, $2,658,200 shall be for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2000 under section 101 for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of the amount specified in any of paragraphs (1) through (17) of subsection (a) for equipment specified in any other of such paragraphs (1) through (17).

TITLE II—ADDITIONAL PRECLEARANCE ACTIVITIES

SEC. 201. CUSTOMS USER FEES.

(a) ADDITIONAL PRECLEARANCE ACTIVITIES.—Section 13031(f)(3)(A)(iii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)(A)(iii)) is amended to read as follows:

''(iii) to the extent funds remain available after making reimbursements under clause (ii), in providing salaries for up to 50 full-time equivalent inspectional positions to provide preclearance services.''.

(b) COLLECTION OF FEES FOR PASSENGERS ABOARD COMMERCIAL VESSELS.—Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended—

(1) in subsection (a), by amending paragraph (5) to read as follows:

''(5)(A) Subject to subparagraph (B), for the arrival of each passenger aboard a commercial vessel or commercial aircraft from a place outside the United States (other than a place referred to in subsection (b)(1)(A)(i)), $5.

''(B) For the arrival of each passenger aboard a commercial vessel from a place referred to in subsection (b)(1)(A)(i), $1.75''; and

(2) in subsection (b)(1)(A), by striking ''(A) No fee'' and inserting ''(A) Except as provided in subsection (a)(5)(B), no fee''.

(c) USE OF MERCHANDISE PROCESSING FEES FOR AUTOMATED COMMERCIAL SYSTEMS.—Section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) is amended by adding at the end the following:

''(6) Of the amounts collected under paragraphs (9) and (10) of subsection (a), $50,000,000 shall be available to the Customs Service, subject to appropriations Acts, for automated commercial systems. Amounts made available under this paragraph shall remain available until expended.''.

(d) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of enactment of this Act.

By Mr. MOYNIHAN:

S. 220. A bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance and NAFTA transitional adjustment assistance programs under that Act, and for other purposes; to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE IMPROVEMENTS ACT OF 1999

Mr. MOYNIHAN. Mr. President, I am introducing today legislation that will preserve a decades-old commitment by the United States Government to the American worker. The Trade Adjustment Assistance Improvements Act of 1999 will ensure that the trade adjustment assistance programs for workers and for firms, first established in 1962 and now set to expire on June 30, 1999, will continue uninterrupted through September 30, 2001. The legislation also proposes a number of reforms to these programs to help make them into more effective tools for assisting workers who lose their jobs as a result of competition from imports or shifts in production to overseas sites.

By way of background, the Trade Adjustment Assistance program provides eligible workers with income support, training and other forms of assistance. It also grants technical help to eligible companies to improve their manufacturing, marketing and other capabilities in the face of import competition.

First outlined in 1954 by United Steel Workers President David MacDonald, the basic Trade Adjustment Assistance program was enacted in the Trade Expansion Act of 1962 as part of President Kennedy's vision of American trade policy. It was based on a modest and fair request from American labor: if some workers are to lose their jobs as a result of freer trade that benefits the country as a whole, a program should be established to help those workers find new employment. The Trade Adjustment Assistance program was the response. As Luther Hodges, President Kennedy's Secretary of Commerce, told the Finance Committee during consideration of the Trade Expansion Act:

> Both workers and firms may encounter special difficulties when they feel the adverse effects of import competition. This is import competition caused directly by the Federal Government when it lowers tariffs as part of a trade agreement undertaken for the long-term economic good of the country as a whole.
>
> The Federal Government has a special responsibility in this case. When the Government has contributed to economic injuries, it should also contribute to the economic adjustments required to repair them.

The 1962 Act established the basic TAA programs for workers and for firms. Then in 1993, Congress included in the implementing legislation for the North American Free Trade Agreement a new adjustment assistance program

for workers—the NAFTA Transitional Adjustment Assistance program. Unlike the basic TAA program for workers, which provides training and income support only for workers who lose their jobs as a result of competition from imports, the NAFTA–TAA program also provides assistance when workers lose their jobs because their factories have shifted production to Mexico or Canada. Moreover, the training requirements under the two programs differ somewhat. The bill I am introducing today incorporates a number of modifications to the worker TAA programs that the Administration, in consultation with concerned worker groups, has proposed. And I must also acknowledge the considerable efforts of Congressmen MATSUI and BONIOR on this matter during the last Congress, which yielded a reform bill similar to the one I am introducing today.

The most significant of the reforms would merge the two separate programs for workers, in an effort to make the program more effective and responsible to workers, while at the same time reducing administrative costs. Key features of the merged programs include the following:

(1) Eligible workers may receive benefits because production has shifted to any country, and not just to either Mexico or Canada as the law currently provides;

(2) The Secretary of Labor will expedite her consideration of petitions for assistance. Instead of the current 60-day review of TAA cases, this bill would require that determinations be made within 40 days;

(3) Certified workers will be required to enroll in training within 16 weeks of layoff or eight weeks after being certified as eligible for TAA benefits, whichever is later, in order to qualify for extended income support while in training. This provision is intended to promote the earliest possible adjustment; and

(4) The bill provides for a net increase of $40 million in training funds to ensure that adequate resources will be available to provide workers with the training they need to make the transition to a new job.

Mr. President, it is essential that the United States Congress live up to its longstanding commitment to the American worker. The Trade Adjustment Assistance programs must not be allowed to lapse. We have an obligation, as well, to ensure that these programs operate in an effective and efficient manner. The reforms proposed by the Administration deserve the Senate's consideration. Time is of the essence, however, and I urge that the Senate act promptly to reauthorize the TAA programs.

I ask unanimous consent that the text of the bill be inserted in the RECORD.

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

S. 220

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 ''Trade Adjustment Assistance Improvements Act of 1999''.

SEC. 2. AUTHORIZATION OF CONSOLIDATED TRADE ADJUSTMENT ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended to read as follows:

''SEC. 245. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Labor for each of the fiscal years 1999 through 2001 such sums as may be necessary to carry out the purposes of this chapter.''.

(2) TEMPORARY EXTENSION OF NAFTA ASSISTANCE.—Section 250(d)(2) of such Act (19 U.S.C. 2331(d)(2)) is amended by striking ''June 30, 1999, shall not exceed $15,000,000'' and inserting ''September 30, 1999, shall not exceed $30,000,000''.

(b) REPEAL OF NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Subchapter D of chapter 2 of title II of such Act (19 U.S.C. 2331) is hereby repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 249A of such Act (19 U.S.C. 2322) is hereby repealed.

(B) The table of contents of such Act is amended—

(i) by striking the item relating to section 249A; and

(ii) by striking the items relating to subchapter D of chapter 2 of title II.

(c) TERMINATION.—Section 285 of such Act (19 U.S.C. 2271 note) is amended—

(1) by amending subsection (c)(1) to read as follows:

''(c)(1) Except as provided in paragraph (2), no assistance, vouchers, allowances, or other payments may be provided under chapter 2, and no technical assistance may be provided under chapter 3, after September 30, 2001.''; and

(2) in subsection (c)(2), by striking ''June 30, 1999,'' and inserting ''September 30, 1999,''.

(d) EFFECTIVE DATE.—

(1) SUBSECTIONS (a) AND (c).—The amendments made by subsections (a) and (c) take effect on—

(A) July 1, 1999; or

(B) the date of enactment of this Act,

whichever is earlier.

(2) SUBSECTION (b).—The amendments made by subsection (b) take effect on—

(A) October 1, 1999; or

(B) 90 days after the date of enactment of this Act,

whichever is later.

SEC. 3. FILING OF PETITIONS AND PROVISION OF RAPID RESPONSE ASSISTANCE; EXPEDITED REVIEW OF PETITIONS BY SECRETARY OF LABOR.

(a) FILING OF PETITIONS AND PROVISION OF RAPID RESPONSE ASSISTANCE.—Section 221(a) of the Trade Act of 1974 (19 U.S.C. 2271(a)) is amended to read as follows:

''(a)(1) A petition for certification of eligibility to apply for adjustment assistance for a group of workers under this chapter may be filed with the Governor of the State in which such workers' firm or subdivision is located by any of the following:

''(A) The group of workers (including workers in an agricultural firm or subdivision of any agricultural firm).

''(B) The certified or recognized union or other duly authorized representative of such workers.

''(C) Employers of such workers, one-stop operators or one-stop partners (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), or State employment agencies, on behalf of such workers.

''(2) Upon receipt of a petition filed under paragraph (1), the Governor shall—

''(A) immediately transmit the petition to the Secretary of Labor (hereinafter in this chapter referred to as the 'Secretary');

''(B) ensure that rapid response assistance and basic readjustment services authorized under other Federal laws are made available to the workers covered by the petition to the extent authorized under such laws; and

''(C) assist the Secretary in the review of the petition by verifying such information and providing such other assistance as the Secretary may request.

''(3) Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.''.

(b) EXPEDITED REVIEW OF PETITIONS BY SECRETARY OF LABOR.—Section 223(a) of such Act (19 U.S.C. 2273(a)) is amended in the first sentence by striking ''60 days'' and inserting ''40 days''.

SEC. 4. ADDITION OF SHIFT IN PRODUCTION AS BASIS FOR ELIGIBILITY FOR TRADE ADJUSTMENT ASSISTANCE.

Section 222(a) of the Trade Act of 1974 (19 U.S.C. 2272(a)) is amended to read as follows:

''(a) A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as eligible to apply for adjustment assistance under this chapter pursuant to a petition filed under section 221 if the Secretary determines that—

''(1) a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated; and

''(2)(A)(i) the sales or production, or both, of such firm or subdivision have decreased absolutely;

''(ii) imports of articles like or directly competitive with articles produced by such firm or subdivision have increased; and

''(iii) the increase in imports described in clause (ii) contributed importantly to such workers' separation or threat of separation and to the decline in the sales or production of such firm or subdivision; or

''(B) there has been a shift in production by such workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by such firm or subdivision.''.

SEC. 5. INFORMATION ON CERTAIN CERTIFICATIONS.

Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end the following subsection:

''(e) The Secretary shall collect and maintain information—

''(1) identifying the countries to which firms have shifted production resulting in certifications under section 222(a)(2)(B), including the number of such certifications relating to each country; and

''(2) to the extent feasible, identifying the countries from which imports of articles have resulted in certifications under section

222(a)(2)(A), including the number of such certifications relating to each country.''.

SEC. 6. ENROLLMENT IN TRAINING REQUIREMENT.

Section 231(a)(5)(A) of the Trade Act of 1974 (19 U.S.C. 2291(a)(5)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)'';

(2) by adding ''and'' after the comma at the end; and

(3) by adding at the end the following:

''(ii) the enrollment required under clause (i) occurs no later than the latest of—

''(I) the last day of the 16th week after the worker's most recent total separation from adversely affected employment which meets the requirements of paragraphs (1) and (2);

''(II) the last day of the 8th week after the week in which the Secretary issues a certification covering the worker; or

''(III) 45 days after the later of the dates specified in subclause (I) or (II), if the Secretary determines there are extenuating circumstances that justify an extension in the enrollment period;''.

SEC. 7. WAIVERS OF TRAINING REQUIREMENTS.

(a) IN GENERAL.—Section 231(c) of the Trade Act of 1974 (19 U.S.C. 2291(c)) is amended to read as follows:

''(c)(1) The Secretary may issue a written statement to a worker waiving the enrollment in the training requirement described in subsection (a)(5)(A) if the Secretary determines that such training requirement is not feasible or appropriate for the worker, as indicated by 1 or more of the following:

''(A) The worker has been notified that the worker will be recalled by the firm from which the qualifying separation occurred.

''(B) The worker has marketable skills as determined pursuant to an assessment of the worker, which may include the profiling system under section 303(j) of the Social Security Act (42 U.S.C. 503(j)), carried out in accordance with guidelines issued by the Secretary.

''(C) The worker is within 2 years of meeting all requirements for entitlement to old-age insurance benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) (except for application therefor).

''(D) The worker is unable to participate in training due to the health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to the availability for work, active search for work, or refusal to accept work under Federal or State unemployment compensation laws.

''(E) The first available enrollment date for the approved training of the worker is within 45 days after the date of the determination made under this paragraph, or, if later, there are extenuating circumstances for the delay in enrollment, as determined pursuant to guidelines issued by the Secretary.

''(F) There are insufficient funds available for training under this chapter, taking into account the limitation under section 236(a)(2)(A).

''(G) The duration of training appropriate for the individual to obtain suitable employment exceeds the individual's maximum entitlement to basic and additional trade readjustment allowances and, in addition, financial support available through other Federal or State programs, including title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.) or chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998, that would enable the individual to complete a suitable training program cannot be assured.

''(2) The Secretary shall specify the duration of the waiver under paragraph (1) and shall periodically review the waiver to determine whether the basis for issuing the waiver remains applicable. If at any time the Secretary determines such basis is no longer applicable to the worker, the Secretary shall revoke the waiver.

''(3) Pursuant to the agreement under section 239, the Secretary may authorize the State or State agency to carry out activities described in paragraph (1) (except for the determination under subparagraphs (F) and (G) of paragraph (1)). Such agreement shall include a requirement that the State or State agency submit to the Secretary the written statements provided pursuant to paragraph (1) and a statement of the reasons for the waiver.

''(4) The Secretary shall submit an annual report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives identifying the number of workers who received waivers and the average duration of such waivers issued under this subsection during the preceding year.''.

(b) CONFORMING AMENDMENT.—Section 231(a)(5)(C) of such Act (19 U.S.C. 2291(a)(5)(C)) is amended by striking ''certified''.

SEC. 8. PROVISION OF TRADE READJUSTMENT ALLOWANCES DURING BREAKS IN TRAINING.

Section 233(f) of the Trade Act of 1974 (19 U.S.C. 2293(f)) is amended in the matter preceding paragraph (1) by striking ''14 days'' and inserting ''30 days''.

SEC. 9. INCREASE IN ANNUAL TOTAL AMOUNT OF PAYMENTS FOR TRAINING.

Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking ''$80,000,000'' and all that follows through $70,000,000 and inserting ''$150,000,000''.

SEC. 10. ELIMINATION OF QUARTERLY REPORT.

(a) IN GENERAL.—Section 236(d) of the Trade Act of 1974 (19 U.S.C. 2296(d)) is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 1999.

SEC. 11. COORDINATION WITH ONE-STOP DELIVERY SYSTEMS, THE JOB TRAINING PARTNERSHIP ACT, AND THE WORKFORCE INVESTMENT ACT OF 1998.

(a) COORDINATION WITH ONE-STOP DELIVERY SYSTEMS.—Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended by inserting '', including the services provided through one-stop delivery systems described in section 134(c) of the Workforce Investment Act of 1998 (19 U.S.C. 2864(c))'' before the period at the end of the first sentence.

(b) COORDINATION WITH JOB TRAINING PARTNERSHIP ACT AND WORKFORCE INVESTMENT ACT OF 1998.—Section 239(e) such Act (19 U.S.C. 2311(e)) is amended—

(1) in the first sentence, by striking ''or title I of the Workforce Investment Act of 1998'' and inserting ''or under the provisions relating to dislocated worker employment and training activities set forth in chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.), as the case may be,''; and

(2) by inserting after the first sentence the following: ''Such coordination shall include use of common reporting systems and elements, including common elements relating to participant data and performance outcomes (including employment, retention of employment, and wages).''.

SEC. 12. SUPPORTIVE SERVICES.

(a) IN GENERAL.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295 et seq.) is amended by adding at the end the following:

''SEC. 238A. SUPPORTIVE SERVICES.

''(a) APPLICATION.—Any adversely affected worker covered by a certification under subchapter A of this chapter may file an application with the Secretary for the provision of supportive services, including transportation, child and dependent care, and other similar services.

''(b) CONDITIONS.—The Secretary may approve an application filed under subsection (a) and provide supportive services to an adversely affected worker only if the Secretary determines that—

''(1) the provision of such services is necessary to enable the worker to participate in or complete training; and

''(2) the provision of such services is consistent with the provision of supportive services to participants under the program of employment and training assistance for dislocated workers carried out under title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.), as in effect on the date of enactment of the Trade Adjustment Assistance Reform Act of 1999, or under the provisions relating to dislocated worker employment and training activities set forth in chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.), as the case may be.''.

(b) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 238 the following:

''Sec. 238A. Supportive services.''.

SEC. 13. ADDITIONAL CONFORMING AMENDMENTS.

(a) SECTION 225.—Section 225(b) of the Trade Act of 1974 (19 U.S.C. 2275(b)) is amended in each of paragraphs (1) and (2) by striking ''or subchapter D''.

(b) SECTION 240.—Section 240(a) of such Act (19 U.S.C. 2312(a)) is amended by striking ''subchapter B of''.

SEC. 14. AVAILABILITY OF CONTINGENCY FUNDS.

(a) IN GENERAL.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317), as amended by section 2, is amended—

(1) by striking ''There are authorized'' and inserting ''(a) IN GENERAL.—There are authorized''; and

(2) by adding at the end the following:

''(b) CONTINGENCY FUNDS.—Subject to the limitation contained in section 236(a)(2), if in any fiscal year the funds available to carry out the programs under this chapter are exhausted, there shall be made available from funds in the Treasury not otherwise appropriated amounts sufficient to carry out such programs for the remainder of the fiscal year.''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on—

(1) July 1, 1999; or

(2) the date of enactment of this Act,

whichever is earlier.

SEC. 15. REAUTHORIZATION OF ADJUSTMENT ASSISTANCE FOR FIRMS.

(a) IN GENERAL.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''for the period beginning October 1, 1998, and ending June 30, 1999'' and inserting ''for each of fiscal years 1999 through 2001''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on—

(1) July 1, 1999; or

(2) the date of enactment of this Act,

whichever is earlier.

SEC. 16. EFFECTIVE DATE; TRANSITION PROVISION.

(a) EFFECTIVE DATE.—Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on—

(1) October 1, 1999; or

(2) 90 days after the date of enactment of this Act,

whichever is later.

(b) TRANSITION.—The Secretary of Labor may promulgate such rules as the Secretary determines to be necessary to provide for the implementation of the amendments made by this Act.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 221. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to combat fraud and price-gouging committed in connection with the provision of consumer goods and services for the cleanup, repair, and recovery from the effects of a major disaster declared by the President, and for other purposes; to the Committee on the Judiciary.

THE DISASTER VICTIMS CRIME PREVENTION ACT OF 1999

Mr. AKAKA. Mr. President, today I am introducing the Disaster Victims Crime Prevention Act of 1999, which would stop fraud against victims of federal disasters. As with legislation I offered in the past, my measure would make it a federal crime to defraud persons through the sale of materials or services for cleanup, repair, and recovery following a federally declared disaster. The senior Senator from Hawaii [Mr. INOUYE] joins me in sponsoring this bill.

Everyone knows the tremendous costs incurred during a natural disaster. During the winter of 1997 through the spring of 1998, there were tornadoes and flooding in the southeastern states that caused $1 billion in damage and resulted in at least 132 deaths. From December 1996 to January 1997, severe flooding over portions of California, Washington, Oregon, Idaho, Nevada and Montana resulted in $3 billion in damages, while in September 1996, Hurricane Fran struck North Carolina and Virginia at a cost of $5 billion. During the past decade, there have been a number of deadly natural disasters throughout the United States and its territories including hurricanes, floods, earthquakes, tornadoes, ice storms, wildfires, mudslides, and blizzards.

Through round-the-clock media coverage, Americans have front row seats to the destruction caused by these catastrophic events. We sympathetically watch television as families sift through the debris of their lives and as men and women assess the loss of their businesses. We witness the concern of others, such as Red Cross volunteers passing out blankets and food and citizens traveling hundreds of miles to help rebuild strangers' homes.

Despite the outpouring of public support that follows these disasters, there are unscrupulous individuals who prey on the trusting and unsuspecting victims whose immediate concerns are applying for disaster assistance, seeking temporary shelter, and rebuilding their lives.

My interest in this was heightened by Hurricane Iniki, which on September 11, 1992, leveled the island of Kauai in Hawaii and caused $1.6 billion in damage. As the people of Kauai began the recovery and rebuilding process, a contractor promising quick home repair took disaster benefits from numerous homeowners and fled the area without completing promised construction. Most of these fraud victims never found relief.

Every disaster has examples of individuals who are victimized twice—first by the disaster and later by unconscionable price hikes and fraudulent contractors. In the wake of the 1993 Midwest flooding, Iowa officials found that some vendors raised the price of portable toilets from $60 a month to $60 a day! In other flood-hit areas, carpet cleaners hiked their prices to $350 per hour, while telemarketers set up telephone banks to solicit funds for phony flood-related charities. Nor will television viewers forget the scenes of beleaguered South Floridians buying generators, plastic sheeting, and bottled water at outrageous prices in the aftermath of Hurricane Andrew.

The Disaster Victims Crime Prevention Act of 1999 would criminalize some of the activities undertaken by unprincipled people whose sole intent is to defraud hard-working men and women. This legislation will make it a federal crime to defraud persons through the sale of materials or services for cleanup, repair, and recovery following a federally declared disaster.

While the Stafford Natural Disaster Act currently provides for civil and criminal penalties for the misuse of disaster funds, it fails to address contractor fraud. To fill this gap, our legislation would make it a federal crime to take money fraudulently from a disaster victim and fail to provide the agreed upon material or service for the cleanup, repair, and recovery.

The Stafford Act also fails to address price gouging. Although it is the responsibility of the states to impose restrictions on price increases prior to a federal disaster declaration, federal penalties for price gouging should be imposed once a federal disaster has been declared. I am pleased to incorporate a provision in this bill initiated by our former colleague and cosponsor of this legislation in the 105th Congress, Senator John Glenn, who, following Hurricane Andrew, sought to combat price gouging and excessive pricing of goods and services legislatively.

I am pleased to note that there is extensive cooperation among the various state and local offices that deal with fraud and consumer protection issues, and it is quite common for these fine men and women to lend their expertise to their colleagues from out-of-state during a natural disaster. This exchange of experiences and practical solutions has created a strong support network.

My bill would ensure that the Federal Emergency Management Agency develop public information in order to ensure that residents within a federally declared disaster area do not fall victim to fraud. The development of public information materials to advise disaster victims about ways to detect and avoid fraud would come under the jurisdiction of the Director of the Federal Emergency Management Agency.

At the present time, FEMA, under the guidance of its director, James Lee Witt, has done an outstanding job in meeting natural disasters. I believe there is only admiration and praise for the cooperation that now exists between FEMA and state agencies dealing with natural disasters. Therefore, I have no doubt that government at all levels would benefit from the dissemination of federal anti-fraud related material following the declaration of a disaster by the President.

I look forward to working with my colleagues to pass legislation that sends a strong message to anyone thinking of defrauding a disaster victim or raising prices unnecessarily on everyday commodities during a natural disaster.

By Mr. LAUTENBERG (for himself and Mr. DEWINE):

S. 22. A bill to amend title 23, United States Code, to provide for national standard to prohibit the operation of motor vehicles by intoxicated individuals; to the Committee on Environment and Public Works.

SAFE AND SOBER STREETS ACT OF 1999

Mr. LAUTENBERG. Mr. President, today I am introducing the Safe and Sober Streets Act of 1999 with Senator DEWINE—a bill that will, if enacted into law, save 500–700 lives a year. The Safe and Sober Streets Act establishes a legal limit for drunken driving at .08 Blood Alcohol Content (BAC) in all 50 states.

Mr. President, Senator DEWINE and I offered this very bill last March as an amendment to the ISTEA reauthorization bill, now known as TEA–21, on behalf of the millions victims of drunk driving crashes. We were joined by 22 other cosponsors. I am proud to say that the Senate—this body—voted 62 to 32 to adopt this amendment. It was supported by one half of each caucus.

The Senate cast this strong vote because it knew that establishing .08 as the legal definition of drunken driving is responsible and will save lives. The Senate knew that this bill would encourage states to adopt .08 BAC laws. Without it, states will get bogged down in legislative gridlock and will not be able to pass their own .08 BAC laws. As a result, lives that could have been saved will have instead been lost.

Mr. President, the Senate spoke loud and clear when it voted to adopt .08. We voted to save lives. We voted to protect our families from the grief associated with losing a loved one to drunk driving. We resisted the pressure of a powerful special interest and voted against drunk driving. The President called on Congress to pass the bill and he would have signed it into law.

The problem came after the Senate's resounding vote. The special interests stepped up their pressure tactics to stop our .08 amendment. Despite commitments granted, the House Rules Committee denied a vote. Democracy was squelched in back-room politics.

Last May, Mr. President, the TEA–21 conference leaders—seven people—ignored the will of the Senate and the American people. The final TEA–21 bill dropped the .08 BAC provision and replaced it with a $500 million, six-year incentive grant program specifically for .08 BAC. The incentive grant program, as constructed in TEA–21, will not produce national .08 standard.

Mr. President, when it comes to an issue like the minimum drinking age, which I authored here in the Senate in 1984, or the Zero Tolerance for underage drinking and driving, authored by Senator BYRD in 1995 or .08 in 1998, there are only two things the federal government can do. We can encourage the states to act by giving them money or withholding it until they have acted. The former has never worked, but the latter already has.

Withholding federal resources, which has been tested and proven constitutionally sound, has worked. All 50 states have a minimum drinking age of 21. The National Highway Traffic Safety Administration tell us that the 21 law has saved the lives of over 10,000 precious young Americans. South Carolina just became the 50th state to pass a Zero Tolerance statute. No state has ever lost federal highway dollars because of the federal government's efforts to insure that our nation's young people do not drink and drive.

The only consequence has been that lives have been saved.

Mr. President, under the bill that I am introducing today, all states would have three years in which to adopt .08 BAC as the DWI definition. After those three years, states would, as with the 21 drinking age and Zero Tolerance, face a withholding of five percent of their highway construction funds. Those who voted against the Safe and Sober Streets Act or prevented a vote in the other body said this was a choice between sanctions and incentives. It is not. This was, and is, a choice between what works and what does not.

Worse, the incentive grant program contained in TEA–21 is a classic case of how not to construct an incentive grant program. For example, most of the money goes to states that have already adopted .08 laws. Why provide incentive grants to states which have already acted? What incentive does a state need to pass .08 if it has already passed .08? Yet, that's what the $500 million incentive grant program does.

Mr. President, we have provided a fig leaf to cover our shame for failing to do what 70 percent of the American people expected us to do—to override the narrow special interest and act to protect public health and safety.

Mr. President, we know that .08 BAC is the right level for DWI. Adopting this level will simply bring the United States into the ranks of most other industrialized nations in setting reasonable drunk driving limits. Canada, Great Britain, Ireland, Italy, Austria and Switzerland have .08 BAC limits. France, Belgium, Finland and the Netherlands' limit is .05 BAC. Sweden's is .02 BAC.

Last year, supporters of our amendment included President Clinton. The National Safety Council. The Center for Disease Control. The American Automobile Manufacturers Association. Kemper, State Farm and Nationwide insurance companies. Mothers Against Drunk Driving. American College of Emergency Physicians. Consumer Federation of America. National Fire Protection Association. Advocates for Highway and Auto Safety. Newspaper editorial boards, such as The New York Times, The Washington Post, and The Baltimore Sun.

But more important than the support of scores of businesses, health and science organizations, governmental agencies, public opinion leaders, is the support from the families and friends of victims of drunk driving—like the Fraziers of Westminister, Maryland, and Louise and Ronald Hammell, of Tuckerton, New Jersey. Brenda and Randy lost their nine year old daughter, Ashley, to drunk driving. Louise and Ronald lost their 17 year old son, Matthew, to drunk driving.

Mr. President, organizations who support this bill have one thing in mind: the public's interest. The health and safety of our communities and of our roads is in the public's interest.

Every thirty minutes, someone in America—a mother, husband, child, grandchild, brother, sister—dies in an alcohol related crash. In the United States, 39 percent of all fatal crashes are alcohol related. Alcohol is the single greatest factor in motor vehicle deaths and injuries.

.08 is a reasonable and responsible level at which to draw the line in fighting drunk driving. It is at .08 that a person is drunk and should not be driving.

Adopting .08 BAC is just common sense. Think of it this way: you are in your car at night, driving on a two lane road. Your child is sitting next to you. You see a car's headlights approaching. The driver is a 170 pound man who just came from a bar, and drank five bottles of beer in one hour on an empty stomach. If he were driving in Maryland, he would not be considered drunk. But if he were driving in Virginia, he would be. Does this make sense? We should not have a patchwork quilt of laws when we are dealing with drunk driving.

This bill—.08—simply reflects what sound science and research proves, and interjects some reality into our definition of drunk driving and applies it to all 50 states.

No objective, credible person or organization can deny that adopting .08 BAC laws is the right thing to do. This bill does not eliminate the incentive grant program. In deference to those who authorized the incentive grant program, but who also supported my .08 bill, this bill specifically keeps the grant program. States will have the benefit of incentives for the first five years. After that, the money will be withheld. But, given past experience, I expect no state to lose funds.

The Senate has strongly supported this once. It should do so again. I urge my colleagues to cosponsor this legislation.

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

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

S. 222

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 ''Safe and Sober Streets Act of 1999''.

SEC. 2. NATIONAL STANDARD TO PROHIBIT OPERATION OF MOTOR VEHICLES BY INTOXICATED INDIVIDUALS.

(a) IN GENERAL.—Subchapter I of chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''§ 165. National standard to prohibit operation of motor vehicles by intoxicated individuals

''(a) WITHHOLDING OF APPORTIONMENTS FOR NONCOMPLIANCE.—

''(1) FISCAL YEAR 2003.—The Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (4) of section 104(b) on October 1, 2002, if the State does not meet the requirements of paragraph (3) on that date.

''(2) SUBSEQUENT FISCAL YEARS.—The Secretary shall withhold 10 percent (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (4) of section 104(b) on October 1, 2003, and on October 1 of each fiscal year thereafter, if the State does not meet the requirements of paragraph (3) on that date.

''(3) REQUIREMENTS.—A State meets the requirements of this paragraph if the State has enacted and is enforcing a law providing that an individual who has an alcohol concentration of 0.08 percent or greater while operating a motor vehicle in the State is guilty of the offense of driving while intoxicated (or

an equivalent offense that carries the greatest penalty under the law of the State for operating a motor vehicle after having consumed alcohol).

''(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

''(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

''(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 2004.—Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 2004, shall remain available until the end of the third fiscal year following the fiscal year for which the funds are authorized to be appropriated.

''(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 2004.—No funds withheld under this section from apportionment to any State after September 30, 2004, shall be available for apportionment to the State.

''(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to a State under paragraph (1)(A), the State meets the requirements of subsection (a)(3), the Secretary shall, on the first day on which the State meets the requirements, apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

''(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—

''(A) IN GENERAL.—Any funds apportioned under paragraph (2) shall remain available for expenditure until the end of the third fiscal year following the fiscal year in which the funds are so apportioned.

''(B) TREATMENT OF CERTAIN FUNDS.—Sums not obligated at the end of the period referred to in subparagraph (A) shall lapse.

''(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1)(A), the State does not meet the requirements of subsection (a)(3), the funds shall lapse.''.

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''165. National standard to prohibit operation of motor vehicles by intoxicated individuals.''.

By Mr. LAUTENBERG (for himself, Mr. ROBB, Mr. KENNEDY, Mr. DASCHLE, Mr. CONRAD, Mr. BINGAMAN, Mr. EDWARDS, Mr. TORRICELLI, Mr. KERRY, Mr. BREAUX, Mr. INOUYE, Mrs. BOXER, and Mr. JOHNSON):

S. 223. A bill to help communities modernize public school facilities, and for other purposes; to the Committee on Finance.

THE PUBLIC SCHOOL MODERNIZATION ACT

Mr. LAUTENBERG. Mr. President I rise today to introduce the Public School Modernization Act of 1999. I am pleased to be joined in this effort by my cosponsors, Senators ROBB, KENNEDY, DASCHLE, CONRAD, BINGAMAN, EDWARDS, TORRICELLI, KERRY, BREAUX, INOUYE, BOXER, and JOHNSON.

Mr. President, the legislation I am introducing today is about opportunity. If there is one essential job of a responsive government, it is to provide opportunity—especially for young Americans. A solid education allows young people to open the door to a world of opportunity.

However, too many American children open the door each morning to enter a schoolhouse with inadequate facilities for a modern learning environment. To help remedy this situation, my Public School Modernization Act will fuel a nationwide effort to renovate older schools and build new, state-of-the-art educational facilities.

Mr. President, that is why this legislation must be at the top of the agenda for the 106th Congress. As we face the new millennium, we must invest in our young people—our future. Congress must look ahead to the challenges of the next century and prepare a new generation of Americans to continue our world leadership in innovation, industry, arts and science.

Mr. President, this legislation will improve the very base, the very foundation of American education. Our children's educational experience begins with the buildings they learn in every day.

We know the condition of these buildings has a direct impact on learning. A Georgetown University study revealed that the achievement levels of students taught in substandard educational facilities were 11 percent lower than students in modern facilities. Similarly, a 1996 Virginia study also found an 11 percentile point difference between students in substandard buildings and those in modern facilities. Both of these studies were controlled for other variables, such as a student's socioeconomic status.

Mr. President, this data, and numerous other studies like it, allows us to formulate a simple equation: Modern Schools Equal Better Learning.

Unfortunately, too many of our nation's school buildings fall into the inadequate category. A 1995 General Accounting Office report revealed that one-third of all schools, serving 14 million students, need extensive repair or replacement. In addition, 7 million students attend school every day with life-threatening safety code violations. How can we expect our children to effectively focus on their lessons in such an environment?

In my home state of New Jersey we have a range of school modernization needs. The condition of low income, urban school facilities were at issue in a decades-long lawsuit that was recently settled. However, the problem is not just an urban problem. In my State, and across the U.S., it is a suburban and rural problem as well.

For example, suburban Montgomery Township has seen its enrollment grow by 99.6 percent over last 6 years. Another suburban district, South Brunswick, has seen enrollment grow by 60 percent in the past five years. One South Brunswick's student, sixth grader Amy Wolf, told me that the overcrowding of facilities has prevented teachers from working on a ''one to one'' basis with students.

This overcrowding often costs students their normal recreation area. Former playgrounds and sports fields on many suburban school campuses are becoming classroom trailer parks because of escalating enrollment.

In addition to overcrowding, suburban schools are crumbling. Many of these facilities, built quickly in the 1960s, are not holding up well and need extensive repair.

And in older, urban schools the condition and age of buildings is making it harder to move more computers into the classrooms or wire schools to the Internet. According to the GAO report, nearly half of all schools don't have an electrical system ready for the full-scale use of computers. In addition, 60 percent lack the conduits necessary to connect classrooms to a computer network.

Mr. President, to remedy this situation, my Public School Modernization Act presents school districts all over the country with a unique opportunity to renovate existing buildings and build new schoolhouses from the ground up. The bill will provide special bond authority to school districts that will allow these districts to raise the necessary funds for school modernization by offering Federal tax credits to bondholders in lieu of traditional interest payments by States or school districts.

The low cost feature for school districts is a simple concept. The districts will not be obligated to pay interest to the bondholders. Rather the bondholders would receive a Federal tax credit equivalent to interest payments.

Mr. President, these savings will free up local school district funds for teaching and learning. The savings could also result in significant property tax relief for the community.

In addition, this federal legislation will not interfere in local control of education. The Public School Modernization Act offers opportunity—not continuous Federal oversight or Federal agency sign-off for every project. The act simply requires States and school districts to conduct a survey of their school facility needs and make sure that the bonding authority is distributed in a way that ensures that schools with the greatest needs and least resources do indeed benefit from the program.

This new bond authority will be split between two programs. Most of the authority will result from a new program, called Qualified School Construction Bonds. The majority of this bond authority, 65 percent, will be allocated to States in proportion to each State's share of funds under the Title I Basic Grant formula. The remaining 35 percent of the authority to issue these

special, 15 year bonds, would be allocated to the 100 school districts with the largest number of low income children and in addition, to as many as 25 districts that demonstrate a particular need, such as very high enrollment growth or a low level of resources.

The rest of the bond authority will come from an existing program, Qualified Zone Academy Bonds, created by the Taxpayer Relief Act of 1997. It also provides a tax credit in lieu of interest, but for a variety of school expenses, including school modernization. This bond program will be significantly expanded and improved by this legislation.

Mr. President, the time for this legislation is now, and it must be enacted during this Congress. The vast majority of Americans support a major federal investment in modernizing public schools. It should be a bipartisan goal, and I hope that a number of Republicans will cosponsor on this bill before it becomes law.

The Public School Modernization Act is long overdue, especially when you consider that President Eisenhower first called for Federal school construction legislation in his 1955 State of the Union address. I hope we can make this proposal a reality before the 45th anniversary of President Eisenhower's call to action.

I urge my colleagues to cosponsor this bill.

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

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

S. 223

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 ''Public School Modernization Act of 1999''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) According to the General Accounting Office, one-third of all elementary and secondary schools in the United States, serving 14,000,000 students, need extensive repair or renovation.

(2) School infrastructure problems exist across the country, in urban, suburban, and rural school districts.

(3) Many States and school districts will need to build new schools in order to accommodate increasing student enrollments; the Department of Education has predicted that the Nation will need an additional 6,000 schools by 2006.

(4) Many schools do not have the physical infrastructure to take advantage of computers and other technology needed to meet the challenges of the next century.

(5) The Federal Government, by providing tax credits to bondholders to substitute for interest paid by school districts, can lower the costs of State and local school infrastructure investment, creating an incentive for States and localities to increase their own infrastructure improvement efforts and help ensure that all students are able to attend schools that are equipped for the 21st century.

(b) PURPOSE.—The purpose of this Act is to provide Federal tax credits to bondholders, in lieu of interest owed by school districts, to help States and localities to modernize public school facilities and build the additional public schools needed to educate the increasing number of students who will enroll in the next decade.

SEC. 3. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

(a) IN GENERAL.—Part IV of subchapter U of chapter 1 of the Internal Revenue Code of 1986 (relating to incentives for education zones) is amended to read as follows:

"PART IV—INCENTIVES FOR QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS

''Sec. 1397E. Credit to holders of qualified public school modernization bonds.

''Sec. 1397F. Qualified zone academy bonds.

''Sec. 1397G. Qualified school construction bonds.

"SEC. 1397E. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified public school modernization bond on the credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year the amount determined under subsection (b).

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any qualified public school modernization bond is the amount equal to the product of—

''(A) the credit rate determined by the Secretary under paragraph (2) for the month in which such bond was issued, multiplied by

''(B) the face amount of the bond held by the taxpayer on the credit allowance date.

''(2) DETERMINATION.—During each calendar month, the Secretary shall determine a credit rate which shall apply to bonds issued during the following calendar month. The credit rate for any month is the percentage which the Secretary estimates will on average permit the issuance of qualified public school modernization bonds without discount and without interest cost to the issuer.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND; CREDIT ALLOWANCE DATE.—For purposes of this section—

''(1) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND.—The term 'qualified public school modernization bond' means—

''(A) a qualified zone academy bond, and

''(B) a qualified school construction bond.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any issue, the last day of the 1-year period beginning on the date of issuance of such issue and the last day of each successive 1-year period thereafter.

''(e) OTHER DEFINITIONS.—For purposes of this part—

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) PUBLIC SCHOOL FACILITY.—The term 'public school facility' shall not include any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

''(f) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section and the amount so included shall be treated as interest income.

''(g) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"SEC. 1397F. QUALIFIED ZONE ACADEMY BONDS.

''(a) QUALIFIED ZONE ACADEMY BOND.—For purposes of this part—

''(1) IN GENERAL.—The term 'qualified zone academy bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

''(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

''(C) the issuer—

''(i) designates such bond for purposes of this section,

''(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

''(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

''(D) the term of each bond which is part of such issue does not exceed 15 years.

''(2) PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

''(B) QUALIFIED CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'qualified contribution' means any contribution (of a type and quality acceptable to the local educational agency) of—

''(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

''(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

''(iii) services of employees as volunteer mentors,

''(iv) internships, field trips, or other educational opportunities outside the academy for students, or

''(v) any other property or service specified by the local educational agency.

''(3) QUALIFIED ZONE ACADEMY.—The term 'qualified zone academy' means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

''(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

''(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

''(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

''(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of enactment of this section), or

''(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

''(4) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified zone academy—

''(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

''(B) providing equipment for use at such academy,

''(C) developing course materials for education to be provided at such academy, and

''(D) training teachers and other school personnel in such academy.

''(5) TEMPORARY PERIOD EXCEPTION.—A bond shall not be treated as failing to meet the requirement of paragraph (1)(A) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a reasonable temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued. Any earnings on such proceeds during such period shall be treated as proceeds of the issue for purposes of applying paragraph (1)(A).

''(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

''(A) $400,000,000 for 1999,

''(B) $1,400,000,000 for 2000,

''(C) $1,400,000,000 for 2001, and

''(D) except as provided in paragraph (3), zero after 2001.

''(2) ALLOCATION OF LIMITATION.—

''(A) ALLOCATION AMONG STATES.—

''(i) 1999 LIMITATION.—The national zone academy bond limitation for calendar year 1999 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

''(ii) LIMITATION AFTER 1999.—The national zone academy bond limitation for any calendar year after 1999 shall be allocated by the Secretary among the States in the manner prescribed by section 1397G(d); except that, in making the allocation under this clause, the Secretary shall take into account Basic Grants attributable to large local educational agencies (as defined in section 1397G(e)).

''(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State education agency to qualified zone academies within such State.

''(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

''(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(A) the limitation amount under this subsection for any State, exceeds

''(B) the amount of bonds issued during such year which are designated under subsection (a) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess. The preceding sentence shall not apply if such following calendar year is after 2003.

"SEC. 1397G. QUALIFIED SCHOOL CONSTRUCTION BONDS.

''(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—For purposes of this part, the term 'qualified school construction bond' means any bond issued as part of an issue if—

''(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility,

''(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

''(3) the issuer designates such bond for purposes of this section, and

''(4) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1397F(a)(5) shall apply for purposes of paragraph (1).

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

''(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

''(2) if such issuer is a large local educational agency (as defined in subsection (e)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

''(c) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a national qualified school construction bond limitation for each calendar year equal to the dollar amount specified in paragraph (2) for such year, reduced, in the case of calendar years 2000 and 2001, by 1.5 percent of such amount.

''(2) DOLLAR AMOUNT SPECIFIED.—The dollar amount specified in this paragraph is—

''(A) $9,700,000,000 for 2000,

''(B) $9,700,000,000 for 2001, and

''(C) except as provided in subsection (f), zero after 2001.

''(d) 65-PERCENT OF LIMITATION ALLOCATED AMONG STATES.—

''(1) IN GENERAL.—Sixty-five percent of the limitation applicable under subsection (c) for any calendar year shall be allocated among the States under paragraph (2) by the Secretary. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State education agency to issuers within such State and such allocations may be made only if there is an approved State application.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year. For purposes of the preceding sentence, Basic Grants attributable to large local educational agencies (as defined in subsection (e)) shall be disregarded.

''(3) MINIMUM ALLOCATIONS TO STATES.—

''(A) IN GENERAL.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

''(i) the amount allocated to such State under this subsection for such year, and

''(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of 65 percent of the national qualified school construction bond limitation under subsection (c) for the calendar year.

''(B) MINIMUM PERCENTAGE.—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

''(4) ALLOCATIONS TO CERTAIN POSSESSIONS.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

''(5) APPROVED STATE APPLICATION.—For purposes of paragraph (1), the term 'approved State application' means an application which is approved by the Secretary of Education and which includes—

''(A) the results of a recent publicly-available survey (undertaken by the State with the involvement of local education officials, members of the public, and experts in school construction and management) of such State's needs for public school facilities, including descriptions of—

''(i) health and safety problems at such facilities,

''(ii) the capacity of public schools in the State to house projected enrollments, and

''(iii) the extent to which the public schools in the State offer the physical infrastructure needed to provide a high-quality education to all students, and

''(B) a description of how the State will allocate to local educational agencies, or otherwise use, its allocation under this subsection to address the needs identified under subparagraph (A), including a description of how it will—

''(i) give highest priority to localities with the greatest needs, as demonstrated by inadequate or overcrowded school facilities coupled with a low level of resources to meet those needs,

''(ii) use its allocation under this subsection to assist localities that lack the fiscal capacity to issue bonds on their own, including the issuance of bonds by the State on behalf of such localities, and

''(iii) ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair in the State that would have occurred in the absence of such allocation.

Any allocation under paragraph (1) by a State education agency shall be binding if such agency reasonably determined that the allocation was in accordance with the plan approved under this paragraph.

''(e) 35-PERCENT OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.—

''(1) IN GENERAL.—Thirty-five percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year. No qualified school construction bond may be issued by reason of an allocation to a large local educational agency under the preceding sentence unless such agency has an approved local application.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

''(3) LARGE LOCAL EDUCATIONAL AGENCY.—For purposes of this section, the term 'large local educational agency' means, with respect to a calendar year, any local educational agency if such agency is—

''(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

''(B) 1 of not more than 25 local educational agencies (other than those described in clause (i)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

''(4) APPROVED LOCAL APPLICATION.—For purposes of paragraph (1), the term 'approved local application' means an application which is approved by the Secretary of Education and which includes—

''(A) the results of a recent publicly-available survey (undertaken by the local educational agency with the involvement of school officials, members of the public, and experts in school construction and management) of such agency's needs for public school facilities, including descriptions of—

''(i) the overall condition of the local educational agency's school facilities, including health and safety problems,

''(ii) the capacity of the agency's schools to house projected enrollments, and

''(iii) the extent to which the agency's schools offer the physical infrastructure needed to provide a high-quality education to all students,

''(B) a description of how the local educational agency will use its allocation under this subsection to address the needs identified under subparagraph (A), and

''(C) a description of how the local educational agency will ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, or repair in the locality that would have occurred in the absence of such allocation.

A rule similar to the rule of the last sentence of subsection (d)(5) shall apply for purposes of this paragraph.

''(f) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(1) the amount allocated under subsection (d) to any State, exceeds

''(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (e). The subsection shall not apply if such following calendar year is after 2003.

''(g) SET-ASIDE ALLOCATED AMONG INDIAN TRIBES.—

''(1) IN GENERAL.—The 1.5 percent set-aside applicable under subsection (c)(1) for any calendar year shall be allocated under paragraph (2) among Indian tribes for the construction, rehabilitation, or repair of tribal schools. No allocation may be made under the preceding sentence unless the Indian tribe has an approved application.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among Indian tribes on a competitive basis by the Secretary of Interior, in consultation with the Secretary of the Education—

''(A) through a negotiated rulemaking procedure with the tribes in the same manner as the procedure described in section 106(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4116(b)(2)), and

''(B) based on criteria described in paragraphs (1), (3), (4), (5), and (6) of section 12005(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8505(a)).

''(3) APPROVED APPLICATION.—For purposes of paragraph (1), the term 'approved application' means an application submitted by an Indian tribe which is approved by the Secretary of Education and which includes—

''(A) the basis upon which the applicable tribal school meets the criteria described in paragraph (2)(B), and

''(B) an assurance by the Indian tribe that such tribal school will not receive funds pursuant to allocations described in subsection (d) or (e).

''(4) DEFINITIONS.—For purposes of this subsection—

''(A) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given such term by section 45A(c)(6).

''(B) TRIBAL SCHOOL.—The term 'tribal school' means a school that is operated by an Indian tribe for the education of Indian children with financial assistance under grant under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) or a contract with the Bureau of Indian Affairs under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f et seq.).''

(b) REPORTING.—Subsection (d) of section 6049 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by adding at the end the following:

''(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1397E(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1397E(d)(2)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(c) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter U of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to part IV and inserting the following:

''Part IV. Incentives for qualified public school modernization bonds.''

(2) Part V of subchapter U of chapter 1 of such Code is amended by redesignating both section 1397F and the item relating thereto in the table of sections for such part as section 1397H.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to obligations issued after December 31, 1998.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—The repeal of the limitation of section 1397E of the Internal Revenue Code of 1986 (as in effect on the day before the date of enactment of this Act) to eligible taxpayers (as defined in subsection (d)(6) of such section) shall apply to obligations issued after December 31, 1997.

SEC. 4. SENSE OF THE SENATE REGARDING FUNDING FOR BIA SCHOOL FACILITIES.

(a) FINDINGS.—The Senate finds that—

(1) the Bureau of Indian Affairs operates 1 of only 2 federally-run school systems; and

(2) there is a clear Federal responsibility to ensure that the more than 50,000 students attending these schools have decent, safe schools.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) sufficient funds should be provided in fiscal year 2000 to begin construction of 3 new Bureau of Indian Affairs school facilities and to increase funds available for the improvement and repair of existing facilities; and

(2) in addition, Congress should consider enacting legislation to establish other funding mechanisms that would leverage Federal investments on behalf of Bureau of Indian Affairs schools in order to address the serious construction backlog which exists at tribal schools.

By Mr. LAUTENBERG (for himself, Mr. ROBB, Mr. KENNEDY, Mr. DASCHLE, Mr. CONRAD, Mr. BINGAMAN, Mr. EDWARDS, Mr. TORRICELLI, Mr. KERRY, Mr. BREAUX, Mr. INOUYE, Mrs. BOXER, and Mr. JOHNSON):

S. 223. A bill to help communities moderize public school facilities, and for other purposes; to the Committee on Finance.

PUBLIC SCHOOL MODERNIZAATION ACT OF 1999

Mr. ROBB. Mr. President, I rise to join with Senator LAUTENBERG to introduce the Public School Modernization Act of 1999.

I was gratified that so many Members of this body recognized last year that the need for school construction and modernization is vital. The legislation that Senator LAUTENBERG and I are introducing is designed to help States build new schools and repair and modernize outdated ones, so that our children will have a better, more modern and safe environment in which to learn.

A few weeks ago, the Thomas Jefferson Center for Educational Design at the University of Virginia issued a devastating report detailing the alarming condition of many of Virginia's schools. Over 3,000 trailers are being used to hold classes. Two out of 3 school districts have held classes in auditoriums, cafeterias, storage areas, and book closets, and 53 percent of Virginia school districts had to increase the size of their classes in order to accommodate their divisions' growing student populations.

We know that smaller class sizes do, in fact, have a dramatic impact on student learning, especially in the first 3 years. So in order to give our children the learning environment they deserve, we have to fix the leaky roofs, build the additional classrooms, and build more schools to accommodate our growing student population, and to reduce class size.

This is a constructive role for the Federal Government to play. In fact, it was a Republican President, Dwight D. Eisenhower, who proposed a massive $1.1 billion school construction initiative in 1955.

Our States need our help, Mr. President. This legislation does not usurp local control of education or hinder States and localities from developing their own solutions to the problem of improving the academic performance of our children. Rather, this bill is intended to complement the efforts of the many State legislatures that are now wrestling with the questions of how to repair and equip old schools and how to build new schools.

Mr. President, no child should be forced to go to a school without heat, or have to wade regularly through standing water to get to class, or be expected to learn in a trailer with poor ventilation. Our children and their parents need our help.

I thank my colleague, Senator LAUTENBERG, for his work on this issue, and I look forward to working with him on this effort to bring it to a successful conclusion. I also thank Senators DASCHLE, KENNEDY, KERRY, TORRICELLI, EDWARDS, and BINGAMAN for joining us today.

I urge all of our colleagues in the State to recognize the urgent school construction needs of all of our States and to work with us in passing this particular legislation.

By Mr. MOYNIHAN:

S. 224. A bill to amend the Internal Revenue Code of 1986 to correct the treatment of tax-exempt financing of professional sports facilities; to the Committee on Finance.

THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce a tax bill that would correct a serious misallocation of our limited resources under present law: a tax subsidy that inures largely to the benefit of wealthy sports franchise owners and their players. This legislation—the Stop Tax-exempt Arena Debt Issuance Act, or STADIA for short—was introduced by the Senator from New York for the first time in 1996. Since that time, the bill has attracted the close scrutiny of bond counsel and their clients, and has received much attention in the press, almost all of which has been favorable.

Mr. Keith Olbermann, at the time an anchor of ESPN's Sportscenter program, even declared that the introduction of the bill was ''paramount among all other sports stories'' when introduced. Passage of the bill, Mr. Olbermann said, would be ''the vaccine that . . . could conceivably at least lead towards the cure, if not cure immediately, almost all the ills of sports.''

Mr. Olbermann may just be right about the importance of this bill, both to sports fans and to taxpayers. The bill closes a big loophole, a loophole that ultimately injures state and local governments and other issuers of tax-exempt bonds, that provides an unintended federal subsidy that contravenes Congressional intent, that underwrites bidding wars among cities battling for professional sports franchises, and that enriches persons who need no federal assistance whatsoever.

A decade ago, I was much involved in the drafting of the Tax Reform Act of 1986. A major objective of that legislation was to simplify the Tax Code by eliminating a large number of loopholes that had come to be viewed as unfair because they primarily benefited small groups of taxpayers. One of the loopholes we sought to close in 1986 was one that permitted builders of professional sports facilities to use tax-exempt bonds. Mind, we had nothing against new stadium construction, but we made the judgment that scarce Federal resources could surely be used in ways that would better serve the public good. The increasing proliferation of tax-exempt bonds had driven up interest costs for financing roads, schools, libraries, and other governmental purposes, led to mounting revenue losses to the U.S. Treasury, caused an inefficient allocation of capital, and allowed wealthy taxpayers to shield a growing amount of their investment income from income tax by purchasing tax-exempt bonds. Thus, we expressly forbade use of ''private activity'' bonds for sports facilities, intending to eliminate tax-exempt financing of these facilities altogether.

Yet team owners, with help from clever tax counsel, soon recognized that the change could work to their advantage. As columnist Neal R. Pierce wrote, team owners ''were not checkmated for long. They were soon exhibiting the gall to ask mayors to finance their stadiums with [governmental] purpose bonds.'' Congress did not anticipate this. After all, by law, governmental bonds used to build stadiums would be tax-exempt only if no more than 10 percent of the debt service is derived from stadium revenue sources. In other words, non-stadium governmental revenues (i.e., tax revenues, lottery proceeds, and the like) must be used to repay the bulk of the debt, freeing team owners to pocket stadium revenues. Who would have thought that local officials, in order to attract or retain a team, would capitulate to team owners—granting concessionary stadium leases and committing limited government revenues to repay stadium debt, thereby hindering their own ability to provide schools, roads and other public investments?

The result has been a stadium construction boom unlike anything we have ever seen, and there is no end in sight.

What is driving the demand for new stadiums? Mainly, team owners' bottom lines and rising player salaries. Although our existing stadiums are generally quite serviceable, team owners can generate greater income, increase their franchise values dramatically, and compete for high-priced free agents with new tax-subsidized, single-purpose stadiums equipped with luxury skyboxes, club seats and the like. Thus, using their monopoly power, owners threaten to move, forcing bidding wars among cities. End result: new, tax-subsidized stadiums with fancy amenities and sweetheart lease deals.

To cite a case in point, Mr. Art Modell recently moved the Cleveland

Browns professional football team from Cleveland to Baltimore to become the Ravens. Prior to relocating, Mr. Modell had said, ''I am not about to rape the City [of Cleveland] as others in my league have done. You will never hear me say 'if I don't get this I'm moving.' You can go to press on that one. I couldn't live with myself if I did that.'' Obviously, Mr. Modell changed his mind. And why? An extraordinary stadium deal with the State of Maryland.

The State of Maryland (and the local sports authority) provided the land on which the stadium is located, issued $87 million in tax-exempt bonds (yielding interest savings of approximately $60 million over a 30-year period as compared to taxable bonds), and contributed $30 million in cash and $64 million in state lottery revenues towards construction of the stadium. Mr. Modell agreed to contribute $24 million toward the project and, in return, receives rent-free use of the stadium (the franchise pays only for the operating and maintenance costs), $65 million in sales of rights to purchase season tickets (so-called ''personal seat licenses''), all revenues from selling the right to name the stadium, luxury suites, premium seats, in-part advertising, and concessions, and 50 percent of all revenues from stadium events other than Ravens' games (with the right to control the booking of those events).

Financial World reported that the value of the Baltimore Ravens' franchise increased from $165 million in 1992 (i.e., before the move from Cleveland) to an estimated $250 million after its first season in the new stadium. It's little wonder that Mr. Modell stated: ''The pride and presence of a professional football team is far more important than 30 libraries, and I say that with all due respect to the learning process.''

Meanwhile, the city of Cleveland has been building a new, $225 million stadium to house an expansion football team. When Mr. Modell decided to move his team to Baltimore, the NFL agreed to grant Cleveland a new football team with the same name: the Cleveland Browns. Most cities are not as fortunate when a team leaves.

We are even reaching a point at which stadiums are being abandoned before they have been used for 10 to 15 years. An article in Barron's reported that a perception of ''economic obsolescence'' on the part of some owners has doomed even recently-built venues:

> The eight-year-old Miami Arena is facing a future without its two major tenants, the Florida Panthers hockey team and the Miami Heat basketball franchise, because of inadequate seating capacity and a paucity of luxury suites. The Panthers have already cut a deal to move to a new facility that nearby Broward County is building for them at a cost of around $200 million. Plans call for Dade County to build a new $210 million arena before the end of the decade, despite the fact that the move will leave local taxpayers stuck with servicing the debt on two Miami arenas rather than just one.

How do taxpayers benefit from all this? They don't. Ticket prices go way up—and stay up—after a new stadium opens. So while fans are asked to foot the bills through tax subsidies, many no longer can afford the price of admission. A study by Newsday found that ticket prices rose by 32 percent in five new baseball stadiums, as compared to a major league average of 8 percent. Not to mention the refreshments and other concessions, which also cost more in the new venues.

According to Barron's, the projects:

> . . . cater largely to well-heeled fans, meaning the folks who can afford to pay for seats in glassed-in luxury boxes. While the suit-and-cell-phone crowd get all the best seats, the average taxpayer is cosigned to ''cheap seats'' in nosebleed land or, more often, to following his favorite team on television.

Nor do these new stadiums provide much, if any, economic benefit to their local communities. Professors Roger G. Noll and Andrew Zimbalist recently published Sports, Jobs & Taxes with the Brookings Institution Press, in which they presented studies of the economic impact of professional sports facilities. The conclusion:

> [I]n every case, the authors find that the local economic impact of sports teams and facilities is far smaller than proponents allege; in some cases it is negative. These findings are valid regardless of whether the benefits are measured for the local neighborhood, for the city, or for the entire metropolitan area in which a facility is located.

Or, as concluded by Ronald D. Utt in his Heritage Foundation ''Backgrounder'' Cities in Denial: The False Promise of Subsidized Tourist and Entertainment Complexes:

> As the record from around the country indicates, the economic boost from public investment in entertainment complexes is exceptionally modest at best, and counterproductive at worst. It diverts scarce resources and public attention from the less glamorous activities that make more meaningful contributions to the public's well-being.

And what of the economic consequences to the communities abandoned by teams that relocate?

Any job growth that does result is extremely expensive. The Congressional Research Service (CRS) reported that the new $177 million football stadium for the Baltimore Ravens is expected to cost $127,000 per job created. By contrast, the cost per job generated by Maryland's economic development program is just $6,250.

Finally, Federal taxpayers receive absolutely no economic benefit for providing this subsidy. As CRS pointed out, ''Almost all stadium spending is spending that would have been made on other activities within the United States, which means that benefits to the nation as a whole are near zero.'' After all, these teams will invariably locate somewhere in the United States, it is just a matter of where. And should the federal taxpayers in the team's current home town be forced to pay for the team's new stadium in a new city? The answer is unmistakably no.

Nevertheless, it seems that every day another professional sports team is demanding a new stadium, threatening a relocation if the demand is not met. This is a growing phenomenon. Professors Noll and Zimbalist wrote that:

> Between 1989 and 1997, thirty-one new stadiums and arenas were built. At least thirty-nine additional teams are seeking new facilities, are in the process of finalizing the deal to build one, or are waiting to move into one.

When I first introduced legislation to address this issue in 1996, stadium bond issuance had already exceeded $1 billion per year. Issuance reached $1.8 billion in 1997, a 30 percent increase from 1996. The bonds issued during 1997 alone represent a federal taxpayer subsidy of approximately $300 million over 10 years. It seems safe to predict that stadium bond issuance continued to increase in 1998.

In closing, one note about implementation of this legislation, should it be enacted. It might be considered unfair that some teams have new taxpayer-subsidized sports facilities, while other teams do not, all due to the arbitrary effective date of a change in the tax law. After all, why should some team owners be rewarded with a stadium subsidy while those owners who were reluctant to threaten relocation or to exploit unwarranted tax benefits do without? Congress could certainly provide appropriate transition rules—as it did in the 1986 Act when it first shut down tax-exempt stadium financing—to allow these latter teams stadium subsidies.

What is clear is that we have got to do something about the explosion in tax-subsidized stadium construction, if not through this legislation, then through some other similar means. Perhaps Congress should consider some form of excise tax, or some limitation on use of bonds to situations that do not involve a relocating team. We could also consider requiring that stadium bonds be repaid by stadium revenues—or at the very least we could reexamine current law, which effectively prohibits such a use of stadium revenues. Or, we could consider tightening the prohibition on the use of tax-exempt bonds to finance luxury skyboxes so that it cannot be so easily circumvented.

The STADIA bill would save about $50 million a year now spent to subsidize professional sports stadiums. The question for Congress is should we subsidize the commercial pursuits of wealthy team owners, encourage escalating player salaries, and underwrite bidding wars among cities seeking or fighting to keep professional sports teams, or would our scarce resources be

put to better use? To my mind, this is not a difficult choice.

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

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

S. 224

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 ''Stop Tax-Exempt Arena Debt Issuance Act''.

SEC. 2. TREATMENT OF TAX-EXEMPT FINANCING OF PROFESSIONAL SPORTS FACILITIES.

(a) IN GENERAL.—Section 141 of the Internal Revenue Code of 1986 (defining private activity bond and qualified bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e) CERTAIN ISSUES USED FOR PROFESSIONAL SPORTS FACILITIES TREATED AS PRIVATE ACTIVITY BONDS.—

''(1) IN GENERAL.—For purposes of this title, the term 'private activity bond' includes any bond issued as part of an issue if the amount of the proceeds of the issue which are to be used (directly or indirectly) to provide professional sports facilities exceeds the lesser of—

''(A) 5 percent of such proceeds, or

''(B) $5,000,000.

''(2) BOND NOT TREATED AS A QUALIFIED BOND.—For purposes of this title, any bond described in paragraph (1) shall not be a qualified bond.

''(3) PROFESSIONAL SPORTS FACILITIES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'professional sports facilities' means real property or related improvements used for professional sports exhibitions, games, or training, regardless if the admission of the public or press is allowed or paid.

''(B) USE FOR PROFESSIONAL SPORTS.—Any use of facilities which generates a direct or indirect monetary benefit (other than reimbursement for out-of pocket expenses) for a person who uses such facilities for professional sports exhibitions, games, or training shall be treated as a use described in subparagraph (A).

''(4) ANTI-ABUSE REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including such regulations as may be appropriate to prevent avoidance of such purposes through related persons, use of related facilities or multiuse complexes, or otherwise.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (5), the amendments made by this section shall apply to bonds issued on or after the date of enactment of this Act.

(2) EXCEPTION FOR CONSTRUCTION, BINDING AGREEMENTS, OR APPROVED PROJECTS.—The amendments made by this section shall not apply to bonds—

(A) the proceeds of which are used for—

(i) the construction or rehabilitation of a facility—

(I) if such construction or rehabilitation began before June 14, 1996, and was completed on or after such date, or

(II) if a State or political subdivision thereof has entered into a binding contract before June 14, 1996, that requires the incurrence of significant expenditures for such construction or rehabilitation, and some of such expenditures are incurred on or after such date; or

(ii) the acquisition of a facility pursuant to a binding contract entered into by a State or political subdivision thereof before June 14, 1996, and

(B) which are the subject of an official action taken by relevant government officials before June 14, 1996—

(i) approving the issuance of such bonds, or

(ii) approving the submission of the approval of such issuance to a voter referendum.

(3) EXCEPTION FOR FINAL BOND RESOLUTIONS.—The amendments made by this section shall not apply to bonds the proceeds of which are used for the construction or rehabilitation of a facility if a State or political subdivision thereof has completed all necessary governmental approvals for the issuance of such bonds before June 14, 1996.

(4) SIGNIFICANT EXPENDITURES.—For purposes of paragraph (2)(A)(i)(II), the term ''significant expenditures'' means expenditures equal to or exceeding 10 percent of the reasonably anticipated cost of the construction or rehabilitation of the facility involved.

(5) EXCEPTION FOR CERTAIN CURRENT REFUNDINGS.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any bond the proceeds of which are used exclusively to refund a qualified bond (or a bond which is a part of a series of refundings of a qualified bond) if—

(i) the amount of the refunding bond does not exceed the outstanding principal amount of the refunded bond,

(ii) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue, and

(iii) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of clause (ii), average maturity shall be determined in accordance with section 147(b)(2)(A) of the Internal Revenue Code of 1986.

(B) QUALIFIED BOND.—For purposes of subparagraph (A), the term ''qualified bond'' means any tax-exempt bond to finance a professional sports facility (as defined in section 141(e)(3) of such Code, as added by subsection (a)) issued before the date of enactment of this Act.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 225. A bill to provide housing assistance to Native Hawaiians; to the Committee on Indian Affairs.

THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT AMENDMENTS

Mr. INOUYE. Mr. President, I rise today to introduce a measure which passed in the Senate toward the close of the 105th session of the Congress to amend the Native American Housing Assistance and Self-Determination Act to provide Federal housing assistance to address the serious unmet housing needs of Native Hawaiians.

Mr. President, the primary objective of this measure is to enable Native Hawaiians who are eligible to reside on the Hawaiian Home Lands to have access to federal housing assistance that is currently provided to other eligible low-income American families based upon documented need.

In 1920, with the enactment of Hawaiian Homes Commission Act, the United States set aside approximately 200,000 acres of public land that had been ceded to the United States in what was then the Territory of Hawaii to establish a permanent homeland for the native people of Hawaii, based upon findings of the Congress that Native Hawaiians were a landless people and a ''dying'' people. The Secretary of the Interior, Franklin Lane, likened the relationship between the United States and Native Hawaiians to the guardianward relationship that then existed between the United States and American Indians.

As a condition of its admission into the Union of States in 1959, the United States transferred title to the 200,000 acres of land to the State of Hawaii with the requirement that the lands be held ''in public trust'' for ''the betterment of the conditions of Native Hawaiians, as defined in the Hawaiian Homes Commission Act of 1920''. The Hawaii Admissions Act also required that the Hawaii State Constitution provide for the assumption by the new State of a trust responsibility for the lands. The lands are now administered by a State agency, the Department of Hawaiian Home Lands.

However, similar to the responsibility with which the Secretary of the Interior is charged in the administration of Indian lands, the United States retained and continues to retain the exclusive authority to enforce the trust and to institute legal action against the State of Hawaii for any breach of the trust, as well as the exclusive right to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act enacted by the legislature of the State of Hawaii affecting the rights of the beneficiaries under the Act.

Within the last several years, three recent studies have documented the housing conditions that confront Native Hawaiians who either reside on the Hawaiian home lands or who are eligible to reside on the home lands.

In 1992, the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing issued its final report to the Congress, ''Building the Future: A Blueprint for Change''. The Commission's Study compared housing data for Native Hawaiians with housing information for other citizens in the State of Hawaii. The Commission found that Native Hawaiians, like American Indians and Alaska Natives, lacked access to conventional financing because of the trust status of the Hawaiian home lands, and that Native Hawaiians had the worst housing conditions in the State of Hawaii and

the highest percentage of homelessness, representing over 30 percent of the State's homeless population.

The Commission concluded that the unique circumstances of Native Hawaiians require the enactment of new legislation to alleviate and address the severe housing needs of Native Hawaiians, and recommended that the Congress extend to Native Hawaiians the same federal housing assistance programs that are provided to American Indians and Alaska Natives under the Low-Income Rental, Mutual Help, Loan Guarantee Program and Community Development Block Grant programs. Subsequently, the Community Development Block Grant program authority was amended to address the housing needs of Native Hawaiians.

In 1995, the U.S. Department of Housing and Urban Development (HUD) issued a report entitled, ''Housing Problems and Needs of Native Hawaiians''. The HUD report was particularly helpful because it compared the data on Native Hawaiian housing conditions with housing conditions nationally and with the housing conditions of American Indians and Alaska Natives.

The most alarming finding of the HUD report was that Native Hawaiians experience the highest percentage of housing problems in the nation—49 percent—higher than even that of American Indians and Alaska Natives residing on reservations (44 percent) and substantially higher than that of all U.S. households (27 percent). Additionally, the HUD study found that the percentage of overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States.

Applying the HUD guidelines, 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian home lands have incomes which fall below the median family income in the United States, and 50 percent of those Native Hawaiians have incomes below 30 percent of the median family income in the United States.

Also in 1995, the Hawaii State Department of Hawaiian Home Lands published a Beneficiary Needs Study as a result of research conducted by an independent research group. This study found that among the Native Hawaiian population, the needs of Native Hawaiians eligible to reside on the Hawaiian home lands are the most severe—with 95 percent of home lands applicants (16,000) in need of housing, and with one-half of those applicant households facing overcrowding and one-third paying more than 30 percent of their income for shelter.

Eligibility for an assignment of Hawaiian home lands for purposes of housing, agricultural development or pasture land is a function of federal law—the Hawaiian Homes Commission Act of 1920. There are approximately 60,000 Native Hawaiians who would be eligible to reside on the home lands, but applying for an assignment of a parcel of home lands is voluntary. Because of the lack of resources to develop infrastructure (roads, access to water and sewer and electricity) on the home lands as required by State and county laws before housing can be constructed, hundreds of Native Hawaiians on the waiting list have died before receiving an assignment of home lands.

Once an eligible Native Hawaiian reaches the top of the waiting list, he or she must be able to qualify for a private home loan mortgage, because the limited Federal and State funds available to the Department of Hawaiian Home Lands have been used to develop infrastructure rather than the construction of housing. An assignment of home lands property is in the form of a 99-year lease. Unless the heirs of the eligible Native Hawaiian qualify in their own right for an assignment of home lands under the provisions of the Hawaiian Homes Commission Act, upon the death of the eligible Native Hawaiian, the heirs must move off the land.

Currently, Native Hawaiians who are eligible to reside on the home lands but who do not qualify for private mortgage loans do not have access to federal housing assistance programs that provide assistance to low-income families. This is due to the fact that for many years, the federal government took the legal position that because the government that represented the Native Hawaiian people had been overthrown in 1893 and thus there was no government-to-government relationship with the United States, extending federal housing program assistance to lands set aside exclusively for Native Hawaiians would be discriminating on the basis of race or ethnicity.

The Hawaiian Homes Commission Act not only provides authority for the assignment of home lands property to Native Hawaiians. The Act also authorizes general leases to non-Hawaiians. At the time the Act was passed by the Congress, it was anticipated that revenues derived from general leases would be sufficient to develop the necessary infrastructure and housing on the home lands. However, general lease revenue has not proven sufficient to address infrastructure and housing needs.

In recent years, as a result of litigation involving third-party leases of Hawaiian home lands, the United States revisited its legal position and found that the authority contained in the Hawaiian Homes Commission Act for general leases to non-Hawaiians meant that the land was not set aside exclusively for Native Hawaiians. The non-exclusive nature of the land set aside was thus found not to violate Constitutional prohibitions on racial discrimination.

The change in the United States' legal position may be further informed by the ruling of the Ninth Circuit Court of Appeals in *Rice* v. *Cayetano*, No. 97–16095, 146 F.3d 1075 (9th Cir. 1998) in which the Appeals Court compared the special treatment of Native Hawaiians to the special treatment of Indians that the Supreme Court approved in *Morton* v. *Mancari*, 417 U.S. 535 (1974) and cited its reference to *Mancari* in *Alaska Chapter, Associated Gen. Contractors* v. *Pierce*, 694 F.2d 1162 (9th Cir. 1981), in which the Circuit Court expressed its finding that preferential treatment that is grounded in the government's unique obligation toward Indians is a political rather than a racial classification, even though racial criteria may be used in defining eligibility.

However, the result of the United States' earlier legal position was that Native Hawaiians who were eligible to reside on the Hawaiian Home Lands and would have otherwise been eligible by virtue of their low-income status to apply for Federal housing assistance were foreclosed from participating in Federal housing assistance programs that were available to all other eligible families in the United States.

Mr. President, if enacted into law, the measure which I introduce today will finally provide some relief and support to those who are in the greatest need for a simple roof over their heads and a place to raise their families.

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

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

S. 225

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 ''Native American Housing Assistance and Self-Determination Amendments of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the United States has undertaken a responsibility to promote the general welfare of the United States by—

(A) employing its resources to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income; and

(B) developing effective partnerships with governmental and private entities to accomplish the objectives referred to in subparagraph (A);

(2) pursuant to the provisions of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), the United States set aside 200,000 acres of land in the Federal territory that later became the State of Hawaii in order to establish a homeland for the native people of Hawaii—Native Hawaiians;

(3) despite the intent of Congress in 1920 to address the housing needs of Native Hawaiians through the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et

seq.), some agencies of the Federal Government have taken the legal position that subsequently enacted Federal housing laws designed to address the housing needs of all eligible families in the United States could not be extended to address the needs for housing and infrastructure development on Hawaiian home lands (as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 3 of this Act) with the result that otherwise eligible Native Hawaiians residing on the Hawaiian home lands have been foreclosed from participating in Federal housing assistance programs available to all other eligible families in the United States;

(4) although Federal housing assistance programs have been administered on a racially neutral basis in the State of Hawaii, Native Hawaiians continue to have the greatest unmet need for housing and the highest rates of overcrowding in the United States;

(5) among the Native American population of the United States, Native Hawaiians experience the highest percentage of housing problems in the United States, as the percentage—

(A) of housing problems in the Native Hawaiian population is 49 percent, as compared to—

(i) 44 percent for American Indian and Alaska Native households in Indian country; and

(ii) 27 percent for all other households in the United States; and

(B) overcrowding in the Native Hawaiian population is 36 percent as compared to 3 percent for all other households in the United States;

(6) among the Native Hawaiian population, the needs of Native Hawaiians, as that term is defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 3 of this Act, eligible to reside on the Hawaiian Home Lands are the most severe, as—

(A) the percentage of overcrowding in Native Hawaiian households on the Hawaiian Home Lands is 36 percent; and

(B) approximately 13,000 Native Hawaiians, which constitute 95 percent of the Native Hawaiians who are eligible to reside on the Hawaiian Home Lands, are in need of housing;

(7) applying the Department of Housing and Urban Development guidelines—

(A) 70.8 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes that fall below the median family income; and

(B) 50 percent of Native Hawaiians who either reside or who are eligible to reside on the Hawaiian Home Lands have incomes below 30 percent of the median family income; and

(8) ⅓ of those Native Hawaiians who are eligible to reside on the Hawaiian Home Lands pay more than 30 percent of their income for shelter, and ½ of those Native Hawaiians face overcrowding;

(9) the extraordinarily severe housing needs of Native Hawaiians demonstrate that Native Hawaiians who either reside on, or are eligible to reside on, Hawaiian Home Lands have been denied equal access to Federal low-income housing assistance programs available to other qualified residents of the United States, and that a more effective means of addressing their housing needs must be authorized;

(10) consistent with the recommendations of the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, and in order to address the continuing prevalence of extraordinarily severe housing needs among Native Hawaiians who either reside or are eligible to reside on the Hawaiian Home Lands, Congress finds it necessary to extend the Federal low-income housing assistance available to American Indians and Alaska Natives under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) to those Native Hawaiians;

(11) under the treatymaking power of the United States, Congress had the authority to confirm a treaty between the United States and the government that represented the Hawaiian people under clause 3 of section 8 of article I of the Constitution, the authority of Congress to address matters affecting the indigenous peoples of the United States includes the authority to address matters affecting Native Hawaiians;

(12) through treaties, Federal statutes, and rulings of the Federal courts, the United States has recognized and reaffirmed that—

(A) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

(B) the aboriginal, indigenous people of the United States have—

(i) a continuing right to autonomy in their internal affairs; and

(ii) an ongoing right of self-determination and self-governance that has never been extinguished;

(13) the political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States as evidenced by the inclusion of Native Hawaiians in—

(A) the Native American Programs Act of 1974 (42 U.S.C. 2291 et seq.);

(B) the American Indian Religious Freedom Act (42 U.S.C. 1996 et seq.);

(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(F) the Native American Languages Act of 1992 (106 Stat. 3434);

(G) the American Indian, Alaska Native and Native Hawaiian Culture and Arts Development Act (20 U.S.C. 4401 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(14) in the area of housing, the United States has recognized and reaffirmed the political relationship with the Native Hawaiian people through—

(A) the enactment of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), which set aside approximately 200,000 acres of public lands that became known as Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for homesteading by Native Hawaiians in order to rehabilitate a landless and dying people;

(B) the enactment of the Act entitled ''An Act to provide for the admission of the State of Hawaii into the Union'', approved March 18, 1959 (73 Stat. 4)—

(i) by ceding to the State of Hawaii title to the public lands formerly held by the United States, and mandating that those lands be held in public trust, for the betterment of the conditions of Native Hawaiians, as that term is defined in section 801(15) of the Native American Housing Assistance and Self-Determination Act of 1996, as added by section 3 of this Act; and

(ii) by transferring what the United States considered to be a trust responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, but retaining the authority to enforce the trust, including the exclusive right of the United States to consent to any actions affecting the lands which comprise the corpus of the trust and any amendments to the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.), enacted by the legislature of the State of Hawaii affecting the rights of beneficiaries under the Act;

(C) the authorization of mortgage loans insured by the Federal Housing Administration for the purchase, construction, or refinancing of homes on Hawaiian Home Lands under the Act of June 27, 1934 (commonly referred to as the ''National Housing Act'' (42 Stat. 1246 et seq., chapter 847; 12 U.S.C. 1701 et seq.));

(D) authorizing Native Hawaiian representation on the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing under Public Law 101–235;

(E) the inclusion of Native Hawaiians in the definition under section 3764 of title 38, United States Code, applicable to subchapter V of chapter 37- of title 38, United States Code (relating to a housing loan program for Native American veterans); and

(F) the enactment of the Hawaiian Home Lands Recovery Act (109 Stat. 357; 48 U.S.C. 491, note prec.) which establishes a process for the conveyance of Federal lands to the Department of Hawaiian Homes Lands that are equivalent in value to lands acquired by the United States from the Hawaiian Home Lands inventory.

SEC. 3. HOUSING ASSISTANCE.

The Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) is amended by adding at the end the following:

''TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

''SEC. 801. DEFINITIONS.

''In this title:

''(1) DEPARTMENT OF HAWAIIAN HOME LANDS; DEPARTMENT.—The term 'Department of Hawaiian Home Lands' or 'Department' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

''(2) DIRECTOR.—The term 'Director' means the Director of the Department of Hawaiian Home Lands.

''(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMILIES.—

''(A) IN GENERAL.—The term 'elderly family' or 'near-elderly family' means a family whose head (or his or her spouse), or whose sole member, is—

''(i) for an elderly family, an elderly person; or

''(ii) for a near-elderly family, a near-elderly person.

''(B) CERTAIN FAMILIES INCLUDED.—The term 'elderly family' or 'near-elderly family' includes—

''(i) 2 or more elderly persons or near-elderly persons, as the case may be, living together; and

''(ii) 1 or more persons described in clause (i) living with 1 or more persons determined under the housing plan to be essential to their care or well-being.

''(4) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

''(A) have the status as Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

''(B) are acquired pursuant to that Act.

''(5) HOUSING AREA.—The term 'housing area' means an area of Hawaiian Home

Lands with respect to which the Department of Hawaiian Home Lands is authorized to provide assistance for affordable housing under this Act.

''(6) HOUSING ENTITY.—The term 'housing entity' means the Department of Hawaiian Home Lands.

''(7) HOUSING PLAN.—The term 'housing plan' means a plan developed by the Department of Hawaiian Home Lands.

''(8) MEDIAN INCOME.—The term 'median income' means, with respect to an area that is a Hawaiian housing area, the greater of—

''(A) the median income for the Hawaiian housing area, which shall be determined by the Secretary; or

''(B) the median income for the State of Hawaii.

''(9) NATIVE HAWAIIAN.—The term 'Native Hawaiian' has the meaning given the term 'Native Hawaiian' in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

''SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING ACTIVITIES.

''(a) GRANT AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this title) make a grant under this title to the Department of Hawaiian Home Lands to carry out affordable housing activities for Native Hawaiian families on or near Hawaiian Home Lands.

''(b) PLAN REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may make a grant under this title to the Department of Hawaiian Home Lands for a fiscal year only if—

''(A) the Director has submitted to the Secretary a housing plan for that fiscal year; and

''(B) the Secretary has determined under section 804 that the housing plan complies with the requirements of section 803.

''(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in part, if the Secretary finds that the Department of Hawaiian Home Lands has not complied or cannot comply with those requirements due to circumstances beyond the control of the Department of Hawaiian Home Lands.

''(c) USE OF AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.—Except as provided in subsection (e), amounts provided under a grant under this section may be used only for affordable housing activities under this title that are consistent with a housing plan approved under section 804.

''(d) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—The Secretary shall, by regulation, authorize the Department of Hawaiian Home Lands to use a percentage of any grant amounts received under this title for any reasonable administrative and planning expenses of the Department relating to carrying out this title and activities assisted with those amounts.

''(2) ADMINISTRATIVE AND PLANNING EXPENSES.—The administrative and planning expenses referred to in paragraph (1) include—

''(A) costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title; and

''(B) expenses incurred in preparing a housing plan under section 803.

''(e) PUBLIC-PRIVATE PARTNERSHIPS.—The Director shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing a housing plan that has been approved by the Secretary under section 803.

''(f) APPLICABILITY OF OTHER PROVISIONS.—

''(1) IN GENERAL.—The Secretary shall be guided by the relevant program requirements of titles I, II, and IV in the implementation of housing assistance programs for Native Hawaiians under this title.

''(2) EXCEPTION.—The Secretary may make exceptions to, or modifications of, program requirements for Native American housing assistance set forth in titles I, II, and IV as necessary and appropriate to meet the unique situation and housing needs of Native Hawaiians.

''SEC. 803. HOUSING PLAN.

''(a) PLAN SUBMISSION.—The Secretary shall—

''(1) require the Director to submit a housing plan under this section for each fiscal year; and

''(2) provide for the review of each plan submitted under paragraph (1).

''(b) 5-YEAR PLAN.—Each housing plan under this section shall—

''(1) be in a form prescribed by the Secretary; and

''(2) contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

''(A) MISSION STATEMENT.—A general statement of the mission of the Department of Hawaiian Home Lands to serve the needs of the low-income families to be served by the Department.

''(B) GOAL AND OBJECTIVES.—A statement of the goals and objectives of the Department of Hawaiian Home Lands to enable the Department to serve the needs identified in subparagraph (A) during the period.

''(C) ACTIVITIES PLANS.—An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the Department to meet its mission, goals, and objectives.

''(c) 1-YEAR PLAN.—A housing plan under this section shall—

''(1) be in a form prescribed by the Secretary; and

''(2) contain the following information relating to the fiscal year for which the assistance under this title is to be made available:

''(A) GOALS AND OBJECTIVES.—A statement of the goals and objectives to be accomplished during the period covered by the plan.

''(B) STATEMENT OF NEEDS.—A statement of the housing needs of the low-income families served by the Department and the means by which those needs will be addressed during the period covered by the plan, including—

''(i) a description of the estimated housing needs and the need for assistance for the low-income families to be served by the Department, including a description of the manner in which the geographical distribution of assistance is consistent with—

''(I) the geographical needs of those families; and

''(II) needs for various categories of housing assistance; and

''(ii) a description of the estimated housing needs for all families to be served by the Department.

''(C) FINANCIAL RESOURCES.—An operating budget for the Department of Hawaiian Home Lands, in a form prescribed by the Secretary, that includes—

''(i) an identification and a description of the financial resources reasonably available to the Department to carry out the purposes of this title, including an explanation of the manner in which amounts made available will be used to leverage additional resources; and

''(ii) the uses to which the resources described in clause (i) will be committed, including—

''(I) eligible and required affordable housing activities; and

''(II) administrative expenses.

''(D) AFFORDABLE HOUSING RESOURCES.—A statement of the affordable housing resources currently available at the time of the submittal of the plan and to be made available during the period covered by the plan, including—

''(i) a description of the significant characteristics of the housing market in the State of Hawaii, including the availability of housing from other public sources, private market housing; and

''(ii) the manner in which the characteristics referred to in clause (i) influence the decision of the Department of Hawaiian Home Lands to use grant amounts to be provided under this title for—

''(I) rental assistance;

''(II) the production of new units;

''(III) the acquisition of existing units; or

''(IV) the rehabilitation of units;

''(iii) a description of the structure, coordination, and means of cooperation between the Department of Hawaiian Home Lands and any other governmental entities in the development, submission, or implementation of housing plans, including a description of—

''(I) the involvement of private, public, and nonprofit organizations and institutions;

''(II) the use of loan guarantees under section 184A of the Housing and Community Development Act of 1992; and

''(III) other housing assistance provided by the United States, including loans, grants, and mortgage insurance;

''(iv) a description of the manner in which the plan will address the needs identified pursuant to subparagraph (C);

''(v) a description of—

''(I) any existing or anticipated homeownership programs and rental programs to be carried out during the period covered by the plan; and

''(II) the requirements and assistance available under the programs referred to in subclause (I);

''(vi) a description of—

''(I) any existing or anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period covered by the plan; and

''(II) the requirements and assistance available under the programs referred to in subclause (I);

''(vii) a description of—

''(I) all other existing or anticipated housing assistance provided by the Department of Hawaiian Home Lands during the period covered by the plan, including—

''(aa) transitional housing;

''(bb) homeless housing;

''(cc) college housing; and

''(dd) supportive services housing; and

''(II) the requirements and assistance available under such programs;

''(viii)(I) a description of any housing to be demolished or disposed of;

''(II) a timetable for that demolition or disposition; and

''(III) any other information required by the Secretary with respect to that demolition or disposition;

''(ix) a description of the manner in which the Department of Hawaiian Home Lands will coordinate with welfare agencies in the State of Hawaii to ensure that residents of

the affordable housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;

''(x) a description of the requirements established by the Department of Hawaiian Home Lands to—

''(I) promote the safety of residents of the affordable housing;

''(II) facilitate the undertaking of crime prevention measures;

''(III) allow resident input and involvement, including the establishment of resident organizations; and

''(IV) allow for the coordination of crime prevention activities between the Department and local law enforcement officials; and

''(xi) a description of the entities that will carry out the activities under the plan, including the organizational capacity and key personnel of the entities.

''(E) CERTIFICATION OF COMPLIANCE.—Evidence of compliance that shall include, as appropriate—

''(i) a certification that the Department of Hawaiian Home Lands will comply with—

''(I) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.) in carrying out this title, to the extent that such title is applicable; and

''(II) other applicable Federal statutes;

''(ii) a certification that the Department will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under this title, in compliance with such requirements as may be established by the Secretary;

''(iii) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title;

''(iv) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under this title; and

''(v) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this title.

''(d) APPLICABILITY OF CIVIL RIGHTS STATUTES.—

''(1) IN GENERAL.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.) apply to assistance provided under this title, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of assistance under this title—

''(A) to the Department of Hawaiian Home Lands on the basis that the Department served Native Hawaiians; or

''(B) to an eligible family on the basis that the family is a Native Hawaiian family.

''(2) CIVIL RIGHTS.—Program eligibility under this title may be restricted to Native Hawaiians. Subject to the preceding sentence, no person may be discriminated against on the basis of race, color, national origin, religion, sex, familial status, or disability.

''(e) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands shall, to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

''SEC. 804. REVIEW OF PLANS.

''(a) REVIEW AND NOTICE.—

''(1) REVIEW.—

''(A) IN GENERAL.—The Secretary shall conduct a review of a housing plan submitted to the Secretary under section 803 to ensure that the plan complies with the requirements of that section.

''(B) LIMITATION.—The Secretary shall have the discretion to review a plan referred to in subparagraph (A) only to the extent that the Secretary considers that the review is necessary.

''(2) NOTICE.—

''(A) IN GENERAL.—Not later than 60 days after receiving a plan under section 803, the Secretary shall notify the Director of the Department of Hawaiian Home Lands whether the plan complies with the requirements under that section.

''(B) EFFECT OF FAILURE OF SECRETARY TO TAKE ACTION.—For purposes of this title, if the Secretary does not notify the Director, as required under this subsection and subsection (b), upon the expiration of the 60-day period described in subparagraph (A)—

''(i) the plan shall be considered to have been determined to comply with the requirements under section 803; and

''(ii) the Director shall be considered to have been notified of compliance.

''(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan submitted under section 803 does not comply with the requirements of that section, the Secretary shall specify in the notice under subsection (a)—

''(1) the reasons for noncompliance; and

''(2) any modifications necessary for the plan to meet the requirements of section 803.

''(c) REVIEW.—

''(1) IN GENERAL.—After the Director of the Department of Hawaiian Home Lands submits a housing plan under section 803, or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make a determination under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

''(A) set forth the information required by section 803 to be contained in the housing plan;

''(B) are consistent with information and data available to the Secretary; and

''(C) are not prohibited by or inconsistent with any provision of this Act or any other applicable law.

''(2) INCOMPLETE PLANS.—If the Secretary determines under this subsection that any of the appropriate certifications required under section 803(c)(2)(E) are not included in a plan, the plan shall be considered to be incomplete.

''(d) UPDATES TO PLAN.—

''(1) IN GENERAL.—Subject to paragraph (2), after a plan under section 803 has been submitted for a fiscal year, the head of the Department of Hawaiian Home Lands may comply with the provisions of that section for any succeeding fiscal year (with respect to information included for the 5-year period under section 803(b) or for the 1-year period under section 803(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

''(2) COMPLETE PLANS.—The Director shall submit a complete plan under section 803 not later than 4 years after submitting an initial plan under that section, and not less frequently than every 4 years thereafter.

''(e) EFFECTIVE DATE.—This section and section 803 shall take effect on the date provided by the Secretary pursuant to section 807(a) to provide for timely submission and review of the housing plan as necessary for the provision of assistance under this title for fiscal year 2000.

''SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

''(a) PROGRAM INCOME.—

''(1) AUTHORITY TO RETAIN.—The Department of Hawaiian Home Lands may retain any program income that is realized from any grant amounts received by the Department under this title if—

''(A) that income was realized after the initial disbursement of the grant amounts received by the Department; and

''(B) the Director agrees to use the program income for affordable housing activities in accordance with the provisions of this title.

''(2) PROHIBITION OF REDUCTION OF GRANT.—The Secretary may not reduce the grant amount for the Department of Hawaiian Home Lands based solely on—

''(A) whether the Department retains program income under paragraph (1); or

''(B) the amount of any such program income retained.

''(3) EXCLUSION OF AMOUNTS.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the requirements of this subsection would create an unreasonable administrative burden on the Department.

''(b) LABOR STANDARDS.—

''(1) IN GENERAL.—Any contract or agreement for assistance, sale, or lease pursuant to this title shall contain—

''(A) a provision requiring that an amount not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, technicians employed in the development and all maintenance, and laborers and mechanics employed in the operation, of the affordable housing project involved; and

''(B) a provision that an amount not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Act commonly known as the 'Davis-Bacon Act' (46 Stat. 1494, chapter 411; 40 U.S.C. 276a et seq.) shall be paid to all laborers and mechanics employed in the development of the affordable housing involved.

''(2) EXCEPTIONS.—Paragraph (1) and provisions relating to wages required under paragraph (1) in any contract or agreement for assistance, sale, or lease under this title, shall not apply to any individual who performs the services for which the individual volunteered and who is not otherwise employed at any time in the construction work and received no compensation or is paid expenses, reasonable benefits, or a nominal fee for those services.

''SEC. 806. ENVIRONMENTAL REVIEW.

''(a) IN GENERAL.—

''(1) RELEASE OF FUNDS.—

''(A) IN GENERAL.—The Secretary may carry out the alternative environmental protection procedures described in subparagraph (B) in order to ensure—

''(i) that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321

et seq.) and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this title; and

''(ii) to the public undiminished protection of the environment.

''(B) ALTERNATIVE ENVIRONMENTAL PROTECTION PROCEDURE.—In lieu of applying environmental protection procedures otherwise applicable, the Secretary may by regulation provide for the release of funds for specific projects to the Department of Hawaiian Home Lands if the Director of the Department assumes all of the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake those projects as Federal projects.

''(2) REGULATIONS.—

''(A) IN GENERAL.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

''(B) CONTENTS.—The regulations issued under this paragraph shall—

''(i) provide for the monitoring of the environmental reviews performed under this section;

''(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

''(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

''(3) EFFECT ON ASSUMED RESPONSIBILITY.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by the Department of Hawaiian Home Lands for grant amounts with respect to any specific release of funds.

''(b) PROCEDURE.—

''(1) IN GENERAL.—The Secretary shall authorize the release of funds subject to the procedures under this section only if, not less than 15 days before that approval and before any commitment of funds to such projects, the Director of the Department of Hawaiian Home Lands submits to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c).

''(2) EFFECT OF APPROVAL.—The approval of the Secretary of a certification described in paragraph (1) shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and such other provisions of law as the regulations of the Secretary specify to the extent that those responsibilities relate to the releases of funds for projects that are covered by that certification.

''(c) CERTIFICATION.—A certification under the procedures under this section shall—

''(1) be in a form acceptable to the Secretary;

''(2) be executed by the Director of the Department of Hawaiian Home Lands;

''(3) specify that the Department of Hawaiian Home Lands has fully carried out its responsibilities as described under subsection (a); and

''(4) specify that the Director—

''(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each provision of law specified in regulations issued by the Secretary to the extent that those laws apply by reason of subsection (a); and

''(B) is authorized and consents on behalf of the Department of Hawaiian Home Lands and the Director to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the Director of the Department of Hawaiian Home Lands as such an official.

"SEC. 807. REGULATIONS.

''The Secretary shall issue final regulations necessary to carry out this title not later than October 1, 1999.

"SEC. 808. EFFECTIVE DATE.

''Except as otherwise expressly provided in this title, this title shall take effect on October 1, 1999.

"SEC. 809. AFFORDABLE HOUSING ACTIVITIES.

''(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.—

''(1) PRIMARY OBJECTIVE.—The national objectives of this title are—

''(A) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families;

''(B) to ensure better access to private mortgage markets and to promote self-sufficiency of low-income Native Hawaiian families;

''(C) to coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State and local activities to further economic and community development;

''(D) to plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and

''(E) to—

''(i) promote the development of private capital markets; and

''(ii) allow the markets referred to in clause (i) to operate and grow, thereby benefiting Native Hawaiian communities.

''(2) ELIGIBLE FAMILIES.—

''(A) IN GENERAL.—Except as provided under subparagraph (B), assistance for eligible housing activities under this title shall be limited to low-income Native Hawaiian families.

''(B) EXCEPTION TO LOW-INCOME REQUIREMENT.—

''(i) IN GENERAL.—The Director may provide assistance for homeownership activities under—

''(I) section 810(b);

''(II) model activities under section 810(f); or

''(III) loan guarantee activities under section 184A of the Housing and Community Development Act of 1992 to Native Hawaiian families who are not low-income families, to the extent that the Secretary approves the activities under that section to address a need for housing for those families that cannot be reasonably met without that assistance.

''(ii) LIMITATIONS.—The Secretary shall establish limitations on the amount of assistance that may be provided under this title for activities for families that are not low-income families.

''(C) OTHER FAMILIES.—Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this title to a family that is not composed of Native Hawaiians if—

''(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

''(ii) the need for housing for the family cannot be reasonably met without the assistance.

''(D) PREFERENCE.—

''(i) IN GENERAL.—A housing plan submitted under section 803 may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this title to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

''(ii) APPLICATION.—In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this title are subject to that preference.

''(E) USE OF NONPROFIT ORGANIZATIONS.—As a condition of receiving grant amounts under this title, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

"SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.

''(a) IN GENERAL.—Affordable housing activities under this section are activities conducted in accordance with the requirements of section 811 to—

''(1) develop or to support affordable housing for rental or homeownership; or

''(2) provide housing services with respect to affordable housing, through the activities described in subsection (b).

''(b) ACTIVITIES.—The activities described in this subsection are the following:

''(1) DEVELOPMENT.—The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

''(A) real property acquisition;

''(B) site improvement;

''(C) the development of utilities and utility services;

''(D) conversion;

''(E) demolition;

''(F) financing;

''(G) administration and planning; and

''(H) other related activities.

''(2) HOUSING SERVICES.—The provision of housing-related services for affordable housing, including—

''(A) housing counseling in connection with rental or homeownership assistance;

''(B) the establishment and support of resident organizations and resident management corporations;

''(C) energy auditing;

''(D) activities related to the provisions of self-sufficiency and other services; and

''(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

''(3) HOUSING MANAGEMENT SERVICES.—The provision of management services for affordable housing, including—

''(A) the preparation of work specifications;

''(B) loan processing;

''(C) inspections;

''(D) tenant selection;

''(E) management of tenant-based rental assistance; and

''(F) management of affordable housing projects.

''(4) CRIME PREVENTION AND SAFETY ACTIVITIES.—The provision of safety, security, and

law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

''(5) MODEL ACTIVITIES.—Housing activities under model programs that are—

''(A) designed to carry out the purposes of this title; and

''(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

''SEC. 811. PROGRAM REQUIREMENTS.

''(a) RENTS.—

''(1) ESTABLISHMENT.—Subject to paragraph (2), as a condition to receiving grant amounts under this title, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this title, including methods by which such rents and homebuyer payments are determined.

''(2) MAXIMUM RENT.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this title, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

''(b) MAINTENANCE AND EFFICIENT OPERATION.—

''(1) IN GENERAL.—The Director shall, using amounts of any grants received under this title, reserve and use for operating under section 810 such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

''(2) DISPOSAL OF CERTAIN HOUSING.—This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

''(c) INSURANCE COVERAGE.—As a condition to receiving grant amounts under this title, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this title.

''(d) ELIGIBILITY FOR ADMISSION.—As a condition to receiving grant amounts under this title, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this title.

''(e) MANAGEMENT AND MAINTENANCE.—As a condition to receiving grant amounts under this title, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this title.

''SEC. 812. TYPES OF INVESTMENTS.

''(a) IN GENERAL.—Subject to section 811 and an applicable housing plan approved under section 803, the Director shall have—

''(1) the discretion to use grant amounts for affordable housing activities through the use of—

''(A) equity investments;

''(B) interest-bearing loans or advances;

''(C) noninterest-bearing loans or advances;

''(D) interest subsidies;

''(E) the leveraging of private investments; or

''(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this title; and

''(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

''(b) INVESTMENTS.—The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

''SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

''(a) IN GENERAL.—Housing shall qualify for affordable housing for purposes of this title only if—

''(1) each dwelling unit in the housing—

''(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

''(B) in the case of housing for homeownership, is made available for purchase only by a family that is a low-income family at the time of purchase; and

''(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

''(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

''(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

''(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

''(I) avoid termination of low-income affordability, in the case of foreclosure; or

''(II) transfer ownership in lieu of foreclosure; and

''(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

''(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 809(a)(2)(B) shall be considered affordable housing for purposes of this title.

''SEC. 814. LEASE REQUIREMENTS AND TENANT SELECTION.

''(a) LEASES.—Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this title, the Director, owner, or manager shall use leases that—

''(1) do not contain unreasonable terms and conditions;

''(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

''(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;

''(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State or local law, a resident shall be informed of the opportunity, before any hearing or trial, to examine any relevant documents, record, or regulations directly related to the eviction or termination;

''(5) require that the Director, owner, or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

''(6) provide that the Director, owner, and manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

''(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the Department, owner, or manager;

''(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

''(C) is criminal activity (including drug-related criminal activity) on or off the premises.

''(b) TENANT OR HOMEBUYER SELECTION.—As a condition to receiving grant amounts under this title, the Director shall adopt and use written tenant and homebuyer selection policies and criteria that—

''(1) are consistent with the purpose of providing housing for low-income families;

''(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

''(3) provide for—

''(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in an applicable housing plan approved under section 803; and

''(B) the prompt notification in writing of any rejected applicant of the grounds for that rejection.

''SEC. 815. REPAYMENT.

''If the Department of Hawaiian Home Lands uses grant amounts to provide affordable housing under activities under this title and, at any time during the useful life of the housing, the housing does not comply with the requirement under section 813(a)(2), the Secretary shall—

''(1) reduce future grant payments on behalf of the Department by an amount equal to the grant amounts used for that housing (under the authority of section 819(a)(2)); or

''(2) require repayment to the Secretary of any amount equal to those grant amounts.

''SEC. 816. ANNUAL ALLOCATION.

''For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year, in accordance with the formula established pursuant to section 817 to the Department of Hawaiian Home Lands if the Department complies with the requirements under this title for a grant under this title.

''SEC. 817. ALLOCATION FORMULA.

''(a) ESTABLISHMENT.—The Secretary shall, by regulation issued not later than the expiration of the 6-month period beginning on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999, in the manner provided under section 807, establish a formula to provide for the allocation of amounts available for a fiscal year for block grants under this title in accordance with the requirements of this section.

''(b) FACTORS FOR DETERMINATION OF NEED.—The formula under subsection (a) shall be based on factors that reflect the needs for assistance for affordable housing activities, including—

''(1) the number of low-income dwelling units owned or operated at the time pursuant to a contract between the Director and the Secretary;

''(2) the extent of poverty and economic distress and the number of Native Hawaiian families eligible to reside on the Hawaiian Home Lands; and

''(3) any other objectively measurable conditions that the Secretary and the Director may specify.

''(c) OTHER FACTORS FOR CONSIDERATION.—In establishing the formula under subsection (a), the Secretary shall consider the relative

administrative capacities of the Department of Hawaiian Home Lands and other challenges faced by the Department, including—

''(1) geographic distribution within Hawaiian Home Lands; and

''(2) technical capacity.

''(d) EFFECTIVE DATE.—This section shall take effect on the date of enactment of the Native American Housing Assistance and Self-Determination Amendments of 1999.

''SEC. 818. REMEDIES FOR NONCOMPLIANCE.

''(a) ACTIONS BY SECRETARY AFFECTING GRANT AMOUNTS.—

''(1) IN GENERAL.—Except as provided in subsection (b), if the Secretary finds after reasonable notice and opportunity for a hearing that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary shall—

''(A) terminate payments under this title to the Department;

''(B) reduce payments under this title to the Department by an amount equal to the amount of such payments that were not expended in accordance with this title; or

''(C) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

''(2) ACTIONS.—If the Secretary takes an action under subparagraph (A), (B), or (C) of paragraph (1), the Secretary shall continue that action until the Secretary determines that the failure by the Department to comply with the provision has been remedied by the Department and the Department is in compliance with that provision.

''(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL INCAPACITY.—The Secretary may provide technical assistance for the Department, either directly or indirectly, that is designed to increase the capability and capacity of the Director of the Department to administer assistance provided under this title in compliance with the requirements under this title if the Secretary makes a finding under subsection (a), but determines that the failure of the Department to comply substantially with the provisions of this title—

''(1) is not a pattern or practice of activities constituting willful noncompliance; and

''(2) is a result of the limited capability or capacity of the Department of Hawaiian Home Lands.

''(c) REFERRAL FOR CIVIL ACTION.—

''(1) AUTHORITY.—In lieu of, or in addition to, any action that the Secretary may take under subsection (a), if the Secretary has reason to believe that the Department of Hawaiian Home Lands has failed to comply substantially with any provision of this title, the Secretary may refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

''(2) CIVIL ACTION.—Upon receiving a referral under paragraph (1), the Attorney General may bring a civil action in any United States district court of appropriate jurisdiction for such relief as may be appropriate, including an action—

''(A) to recover the amount of the assistance furnished under this title that was not expended in accordance with this title; or

''(B) for mandatory or injunctive relief.

''(d) REVIEW.—

''(1) IN GENERAL.—If the Director receives notice under subsection (a) of the termination, reduction, or limitation of payments under this Act, the Director—

''(A) may, not later than 60 days after receiving such notice, file with the United States Court of Appeals for the Ninth Circuit, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action of the Secretary; and

''(B) upon the filing of any petition under subparagraph (A), shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

''(2) PROCEDURE.—

''(A) IN GENERAL.—The Secretary shall file in the court a record of the proceeding on which the Secretary based the action, as provided in section 2112 of title 28, United States Code.

''(B) OBJECTIONS.—No objection to the action of the Secretary shall be considered by the court unless the Department has registered the objection before the Secretary.

''(3) DISPOSITION.—

''(A) COURT PROCEEDINGS.—

''(i) JURISDICTION OF COURT.—The court shall have jurisdiction to affirm or modify the action of the Secretary or to set the action aside in whole or in part.

''(ii) FINDINGS OF FACT.—If supported by substantial evidence on the record considered as a whole, the findings of fact by the Secretary shall be conclusive.

''(iii) ADDITION.—The court may order evidence, in addition to the evidence submitted for review under this subsection, to be taken by the Secretary, and to be made part of the record.

''(B) SECRETARY.—

''(i) IN GENERAL.—The Secretary, by reason of the additional evidence referred to in subparagraph (A) and filed with the court—

''(I) may—

''(aa) modify the findings of fact of the Secretary; or

''(bb) make new findings; and

''(II) shall file—

''(aa) such modified or new findings; and

''(bb) the recommendation of the Secretary, if any, for the modification or setting aside of the original action of the Secretary.

''(ii) FINDINGS.—The findings referred to in clause (i)(II)(bb) shall, with respect to a question of fact, be considered to be conclusive if those findings are—

''(I) supported by substantial evidence on the record; and

''(II) considered as a whole.

''(4) FINALITY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), upon the filing of the record under this subsection with the court—

''(i) the jurisdiction of the court shall be exclusive; and

''(ii) the judgment of the court shall be final.

''(B) REVIEW BY SUPREME COURT.—A judgment under subparagraph (A) shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification, as provided in section 1254 of title 28, United States Code.

''SEC. 819. MONITORING OF COMPLIANCE.

''(a) ENFORCEABLE AGREEMENTS.—

''(1) IN GENERAL.—The Director, through binding contractual agreements with owners or other authorized entities, shall ensure long-term compliance with the provisions of this title.

''(2) MEASURES.—The measures referred to in paragraph (1) shall provide for—

''(A) to the extent allowable by Federal and State law, the enforcement of the provisions of this title by the Department and the Secretary; and

''(B) remedies for breach of the provisions referred to in paragraph (1).

''(b) PERIODIC MONITORING.—

''(1) IN GENERAL.—Not less frequently than annually, the Director shall review the activities conducted and housing assisted under this title to assess compliance with the requirements of this title.

''(2) REVIEW.—Each review under paragraph (1) shall include onsite inspection of housing to determine compliance with applicable requirements.

''(3) RESULTS.—The results of each review under paragraph (1) shall be—

''(A) included in a performance report of the Director submitted to the Secretary under section 820; and

''(B) made available to the public.

''(c) PERFORMANCE MEASURES.—The Secretary shall establish such performance measures as may be necessary to assess compliance with the requirements of this title.

''SEC. 820. PERFORMANCE REPORTS.

''(a) REQUIREMENT.—For each fiscal year, the Director shall—

''(1) review the progress the Department has made during that fiscal year in carrying out the housing plan submitted by the Department under section 803; and

''(2) submit a report to the Secretary (in a form acceptable to the Secretary) describing the conclusions of the review.

''(b) CONTENT.—Each report submitted under this section for a fiscal year shall—

''(1) describe the use of grant amounts provided to the Department of Hawaiian Home Lands for that fiscal year;

''(2) assess the relationship of the use referred to in paragraph (1) to the goals identified in the housing plan;

''(3) indicate the programmatic accomplishments of the Department; and

''(4) describe the manner in which the Department would change its housing plan submitted under section 803 as a result of its experiences.

''(c) SUBMISSIONS.—The Secretary shall—

''(1) establish a date for submission of each report under this section;

''(2) review each such report; and

''(3) with respect to each such report, make recommendations as the Secretary considers appropriate to carry out the purposes of this title.

''(d) PUBLIC AVAILABILITY.—

''(1) COMMENTS BY BENEFICIARIES.—In preparing a report under this section, the Director shall make the report publicly available to the beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.) and give a sufficient amount of time to permit those beneficiaries to comment on that report before it is submitted to the Secretary (in such manner and at such time as the Director may determine).

''(2) SUMMARY OF COMMENTS.—The report shall include a summary of any comments received by the Director from beneficiaries under paragraph (1) regarding the program to carry out the housing plan.

''SEC. 821. REVIEW AND AUDIT BY SECRETARY.

''(a) ANNUAL REVIEW.—

''(1) IN GENERAL.—The Secretary shall, not less frequently than on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether—

''(A) the Director has—

''(i) carried out eligible activities under this title in a timely manner;

''(ii) carried out and made certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws; and

''(iii) a continuing capacity to carry out the eligible activities in a timely manner;

''(B) the Director has complied with the housing plan submitted by the Director under section 803; and

''(C) the performance reports of the Department under section 821 are accurate.

''(2) ONSITE VISITS.—Each review conducted under this section shall, to the extent practicable, include onsite visits by employees of the Department of Housing and Urban Development.

''(b) REPORT BY SECRETARY.—The Secretary shall give the Department of Hawaiian Home Lands not less than 30 days to review and comment on a report under this subsection. After taking into consideration the comments of the Department, the Secretary may revise the report and shall make the comments of the Department and the report with any revisions, readily available to the public not later than 30 days after receipt of the comments of the Department.

''(c) EFFECT OF REVIEWS.—The Secretary may make appropriate adjustments in the amount of annual grants under this title in accordance with the findings of the Secretary pursuant to reviews and audits under this section. The Secretary may adjust, reduce, or withdraw grant amounts, or take other action as appropriate in accordance with the reviews and audits of the Secretary under this section, except that grant amounts already expended on affordable housing activities may not be recaptured or deducted from future assistance provided to the Department of Hawaiian Home Lands.

''SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.

''To the extent that the financial transactions of the Department of Hawaiian Home Lands involving grant amounts under this title relate to amounts provided under this title, those transactions may be audited by the Comptroller General of the United States under such regulations as may be prescribed by the Comptroller General. The Comptroller General of the United States shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Department of Hawaiian Home Lands pertaining to such financial transactions and necessary to facilitate the audit.

''SEC. 823. REPORTS TO CONGRESS.

''(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this title is made available, the Secretary shall submit to the Congress a report that contains—

''(1) a description of the progress made in accomplishing the objectives of this title;

''(2) a summary of the use of funds available under this title during the preceding fiscal year; and

''(3) a description of the aggregate outstanding loan guarantees under section 184A of the Housing and Community Development Act of 1992.

''(b) RELATED REPORTS.—The Secretary may require the Director to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to prepare the report required under subsection (a).

''SEC. 824. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Housing and Urban Development for grants under this title such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.''.

SEC. 4. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

Subtitle E of title I of the Housing and Community Development Act of 1992 is amended by inserting after section 184 (12 U.S.C. 1715z–13a) the following:

''SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN HOUSING.

''(a) DEFINITIONS.—In this section:

''(1) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term 'Department of Hawaiian Home Lands' means the agency or department of the government of the State of Hawaii that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 set seq.).

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a Native Hawaiian family, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, private nonprofit or for profit organizations experienced in the planning and development of affordable housing for Native Hawaiians.

''(3) FAMILY.—The term 'family' means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

''(4) GUARANTEE FUND.—The term 'Guarantee Fund' means the Native Hawaiian Housing Loan Guarantee Fund established under subsection (i).

''(5) HAWAIIAN HOME LANDS.—The term 'Hawaiian Home Lands' means lands that—

''(A) have the status of Hawaiian Home Lands under section 204 of the Hawaiian Homes Commission Act (42 Stat. 110); or

''(B) are acquired pursuant to that Act.

''(6) NATIVE HAWAIIAN.—The term 'Native Hawaiian' has the meaning given the term 'native Hawaiian' in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

''(7) OFFICE OF HAWAIIAN AFFAIRS.—The term 'Office of Hawaiian Affairs' means the entity of that name established under the constitution of the State of Hawaii.

''(b) AUTHORITY.—To provide access to sources of private financing to Native Hawaiian families who otherwise could not acquire housing financing because of the unique legal status of the Hawaiian home lands or as a result of a lack of access to private financial markets, the Secretary may guarantee an amount not to exceed 100 percent of the unpaid principal and interest that is due on an eligible loan under subsection (b).

''(c) ELIGIBLE LOANS.—Under this section, a loan is an eligible loan if that loan meets the following requirements:

''(1) ELIGIBLE BORROWERS.—The loans is made only to a borrower who—

''(A) is a Native Hawaiian family;

''(B) the Department of Hawaiian Home Lands;

''(C) the Office of Hawaiian Affairs; or

''(D) a private nonprofit organization experienced in the planning and development of affordable housing for Native Hawaiians.

''(2) ELIGIBLE HOUSING.—

''(A) IN GENERAL.—The loan will be used to construct, acquire, or rehabilitate not more than 4-family dwellings that are standard housing and are located on Hawaiian Home Lands for which a housing plan described in subparagraph (B) applies.

''(B) HOUSING PLAN.—A housing plan described in this subparagraph is a housing plan that—

''(i) has been submitted and approved by the Secretary under section 803 of the Native American Housing Assistance and Self-Determination Amendments of 1999; and

''(ii) provides for the use of loan guarantees under this section to provide affordable homeownership housing on Hawaiian Home Lands.

''(3) SECURITY.—The loan may be secured by any collateral authorized under applicable Federal law or State law.

''(4) LENDERS.—

''(A) IN GENERAL.—The loan shall be made only by a lender approved by, and meeting qualifications established by, the Secretary, including any lender described in subparagraph (B), except that a loan otherwise insured or guaranteed by an agency of the Federal Government or made by the Department of Hawaiian Home Lands from amounts borrowed from the United Sates shall not be eligible for a guarantee under this section.

''(B) APPROVAL.—The following lenders shall be considered to be lenders that have been approved by the Secretary:

''(i) Any mortgagee approved by the Secretary for participation in the single family mortgage insurance program under title II of the National Housing Act (12 U.S.C.A. 1707 et seq.).

''(ii) Any lender that makes housing loans under chapter 37 of title 38, United States Code, that are automatically guaranteed under section 3702(d) of title 38, United States Code.

''(iii) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949 (42 U.S.C.A. 1441 et seq.).

''(iv) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

''(5) TERMS.—The loan shall—

''(A) be made for a term not exceeding 30 years;

''(B) bear interest (exclusive of the guarantee fee under subsection (d) and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, but not to exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

''(C) involve a principal obligation not exceeding—

''(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is $50,000 or less); or

''(ii) the amount approved by the Secretary under this section; and

''(D) involve a payment on account of the property—

''(i) in cash or its equivalent; or

''(ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

''(d) CERTIFICATE OF GUARANTEE.—

''(1) APPROVAL PROCESS.—

''(A) IN GENERAL.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination.

''(B) APPROVAL.—If the Secretary approves the application submitted under subparagraph (A), the Secretary shall issue a certificate under this subsection as evidence of the loan guarantee approved.

''(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this subsection only if the Secretary determines that there is a reasonable prospect of repayment of the loan.

''(3) EFFECT.—

''(A) IN GENERAL.—A certificate of guarantee issued under this subsection by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under this section and the amount of that guarantee.

''(B) EVIDENCE.—The evidence referred to in subparagraph (A) shall be incontestable in the hands of the bearer.

''(C) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for the obligations made by the Secretary under this section.

''(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed—

''(A) to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation; or

''(B) to bar the Secretary from establishing by regulations that are on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

''(e) GUARANTEE FEE.—

''(1) IN GENERAL.—The Secretary shall fix and collect a guarantee fee for the guarantee of a loan under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan.

''(2) PAYMENT.—The fee under this subsection shall—

''(A) be paid by the lender at time of issuance of the guarantee; and

''(B) be adequate, in the determination of the Secretary, to cover expenses and probable losses.

''(3) DEPOSIT.—The Secretary shall deposit any fees collected under this subsection in the Native Hawaiian Housing Loan Guarantee Fund established under subsection (j).

''(f) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement involved.

''(g) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

''(h) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

''(1) IN GENERAL.—

''(A) GROUNDS FOR ACTION.—The Secretary may take action under subparagraph (B) if the Secretary determines that any lender or holder of a guarantee certificate under subsection (c)—

''(i) has failed—

''(I) to maintain adequate accounting records;

''(II) to service adequately loans guaranteed under this section; or

''(III) to exercise proper credit or underwriting judgment; or

''(ii) has engaged in practices otherwise detrimental to the interest of a borrower or the United States.

''(B) ACTIONS.—Upon a determination by the Secretary that a holder of a guarantee certificate under subsection (c) has failed to carry out an activity described in subparagraph (A)(i) or has engaged in practices described in subparagraph (A)(ii), the Secretary may—

''(i) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

''(ii) bar such lender or holder from acquiring additional loans guaranteed under this section; and

''(iii) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

''(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—

''(A) IN GENERAL.—The Secretary may impose a civil monetary penalty on a lender or holder of a guarantee certificate under subsection (d) if the Secretary determines that the holder or lender has intentionally failed—

''(i) to maintain adequate accounting records;

''(ii) to adequately service loans guaranteed under this section; or

''(iii) to exercise proper credit or underwriting judgment.

''(B) PENALTIES.—A civil monetary penalty imposed under this paragraph shall be imposed in the manner and be in an amount provided under section 536 of the National Housing Act (12 U.S.C.A. 1735f–1) with respect to mortgagees and lenders under that Act.

''(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), if a loan was made in good faith, the Secretary may not refuse to pay a lender or holder of a valid guarantee on that loan, without regard to whether the lender or holder is barred under this subsection.

''(i) PAYMENT UNDER GUARANTEE.—

''(1) LENDER OPTIONS.—

''(A) IN GENERAL.—

''(i) NOTIFICATION.—If borrower on a loan guaranteed under this section defaults on the loan, the holder of the guarantee certificate shall provide written notice of the default to the Secretary.

''(ii) PAYMENT.—Upon providing the notice required under clause (i), the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in 1 of the following manners:

''(I) FORECLOSURE.—

''(aa) IN GENERAL.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of that action to the Secretary).

''(bb) PAYMENT.—Upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (f)) plus reasonable fees and expenses as approved by the Secretary.

''(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

''(II) NO FORECLOSURE.—

''(aa) IN GENERAL.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interest of the United States.

''(bb) PAYMENT.—Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (f)).

''(cc) SUBROGATION.—The rights of the Secretary shall be subrogated to the rights of the holder of the guarantee. The holder shall assign the obligation and security to the Secretary.

''(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines to be appropriate.

''(2) LIMITATIONS ON LIQUIDATION.—

''(A) IN GENERAL.—If a borrower defaults on a loan guaranteed under this section that involves a security interest in restricted Hawaiian Home Land property, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to another eligible Hawaiian family or the Department of Hawaiian Home Lands.

''(B) LIMITATION.—If, after action is taken under subparagraph (A), the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property described in subparagraph (A) except to another eligible Hawaiian family or to the Department of Hawaiian Home Lands.

''(j) HAWAIIAN HOUSING LOAN GUARANTEE FUND.—

''(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Hawaiian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

''(2) CREDITS.—The Guarantee Fund shall be credited with—

''(A) any amount, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

''(B) any amounts appropriated pursuant to paragraph (7);

''(C) any guarantee fees collected under subsection (d); and

''(D) any interest or earnings on amounts invested under paragraph (4).

''(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriations Acts, for—

''(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans;

''(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

''(C) acquiring such security property at foreclosure sales or otherwise;

''(D) paying administrative expenses in connection with this section; and

''(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

''(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required at the time of the determination to carry out this section may be invested in obligations of the United States.

''(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

''(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into

commitments to guarantee loans under this section shall be effective for any fiscal year to the extent, or in such amounts as, are or have been provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

''(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriations Acts to cover the costs (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loan guarantees for such fiscal year. Any amounts appropriated pursuant to this subparagraph shall remain available until expended.

''(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section for each of fiscal years 2000, 2001, 2002, 2003, and 2004 with an aggregate outstanding principal amount not exceeding $100,000,000 for each such fiscal year.

''(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.

''(k) REQUIREMENTS FOR STANDARD HOUSING.—

''(1) IN GENERAL.—The Secretary shall, by regulation, establish housing safety and quality standards to be applied for use under this section.

''(2) STANDARDS.—The standards referred to in paragraph (1) shall—

''(A) provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section; and

''(B) require each dwelling unit in any housing acquired in the manner described in subparagraph (A) to—

''(i) be decent, safe, sanitary, and modest in size and design;

''(ii) conform with applicable general construction standards for the region in which the housing is located;

''(iii) contain a plumbing system that—

''(I) uses a properly installed system of piping;

''(II) includes a kitchen sink and a partitional bathroom with lavatory, toilet, and bath or shower; and

''(III) uses water supply, plumbing, and sewage disposal systems that conform to any minimum standards established by the applicable county or State;

''(iv) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any appropriate county, State, or national code;

''(v) be not less than the size provided under the applicable locally adopted standards for size of dwelling units, except that the Secretary, upon request of the Department of Hawaiian Home Lands may waive the size requirements under this paragraph; and

''(vi) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act (12 U.S.C.A. 1735f–4), unless the Secretary determines that the requirements are not applicable.

''(*l*) APPLICABILITY OF CIVIL RIGHTS STATUTES.—To the extent that the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.) apply to a guarantee provided under this subsection, nothing in the requirements concerning discrimination on the basis of race shall be construed to prevent the provision of the guarantee to an eligible entity on the basis that the entity serves Native Hawaiian families or is a Native Hawaiian family.''.

By Mr. FEINGOLD:

S. 226. A bill to promote democracy and good governance in Nigeria, and for other purposes; to the Committee on Foreign Relations.

THE NIGERIA DEMOCRACY AND CIVIL SOCIETY EMPOWERMENT ACT OF 1999

Mr. FEINGOLD. Mr. President, I rise to introduce legislation regarding Nigeria, a country that stands today astride the border between a repressive history and a potentially productive future.

As the Ranking Democrat of the Senate Subcommittee on Africa, I have long been concerned about the collapsing economic and political situation in Nigeria. Nigeria, with its rich history, abundant natural resources and wonderful cultural diversity, has the potential to be an important regional leader in West Africa, and the entire African continent. But, sadly, too many of Nigeria's leaders have squandered that potential and the good will of the world with repressive policies, human rights abuses and corruption.

The Nigeria Democracy and Civil Society Empowerment Act of 1999 that I offer today provides a clear framework for U.S. policy toward that troubled West African nation. The Nigeria Democracy and Civil Society Empowerment Act declares that the United States should encourage the political, economic and legal reforms necessary to ensure the rule of law and respect for human rights in Nigeria and should aggressively support a timely and effective transition to democratic, civilian government for the people of Nigeria.

This bill draws heavily from legislation introduced during the last two Congresses with the leadership of several other distinguished members of Congress. In the 104th Congress, I joined the former chair of the Senate Subcommittee on Africa, Senator Kassebaum, and 20 other Senators in introducing sanctions legislation. In the 105th Congress, I introduced an updated version of that bill, a companion measure of which was introduced in the House by the distinguished chair of the House International Relations Committee, Mr. GILMAN of New York, and a distinguished member of that Committee and of the Congressional Black Caucus, Mr. PAYNE of New Jersey. I commend the help and assistance of all of my colleagues on this important issue and I appreciate the opportunity to work with them toward the broader goal of a freer Nigeria.

Mr. President, the Nigeria Democracy and Civil Society Empowerment Act provides by law for many of the sanctions that the United States has had in place against Nigeria for a number of years. It includes a ban on most foreign direct assistance and a ban on the sale of military goods and military assistance to Nigeria, and suggests the reimposition of restriction on visas for top Nigerian officials. But none of these sanctions will be imposed if the President can certify to the Congress that specific conditions, which I will call ''benchmarks,'' regarding the transition to democracy have taken place in Nigeria. These benchmarks include free and fair democratic elections, the release of political prisoners, freedom of the press, continued access for international human rights monitors and the repeal of the many repressive decrees pressed upon the Nigerian people by successive military regimes.

This legislation also provides for $37 million in development assistance over three years to support democracy and governance programs and the activities of the U.S. Information Agency, and mandates a larger presence for the U.S. Agency for International Development. I want to emphasize that this bill authorizes no new money. All of these funds would come out of existing USAID and USIA appropriations.

Finally, the bill requires the Secretary of State to submit a report on corruption in Nigeria including the evidence of corruption by government officials in Nigeria and the impact of corruption on the delivery of government services in Nigeria, on U.S. business interests in Nigeria, and on Nigeria's foreign policy. It would also require that the Secretary's report include information on the impact on U.S. citizens of advance fee fraud and other fraudulent business schemes originating in Nigeria.

The intent of this legislation is twofold. First, it will continue to send an unequivocal message to whomever is ruling Nigeria that disregard for democracy, human rights and the institutions of civil society in Nigeria is simply unacceptable. Second, the bill provides some direction to the Clinton Administration which had considerable difficulty articulating a coherent policy on Nigeria throughout the Abacha regime, and which, I fear, has too quickly embraced the Abubakar regime despite several important outstanding problems.

Nigeria has suffered under military rule for most of its nearly 40 years as an independent nation. By virtue of its size, geographic location, and resource base, it is economically and strategically important both in regional and

international terms. Nigeria is critical to American interests. But Nigeria's future was nearly destroyed by the military government of General Sani Abacha. Abacha presided over a Nigeria stunted by rampant corruption, economic mismanagement and the brutal subjugation of its people.

Gen. Abacha was by any definition an authoritarian leader of the worst sort. He routinely imprisoned individuals for expressing their political opinions and skimmed Nigeria's precious resources for his own gains and that of his supporters and cronies. He pretended to set a timetable for a democratic transition, but each of the five officially sanctioned parties under his plan ended up endorsing Gen. Abacha as their candidate in what would have been nothing more than a circus referendum on Abacha himself.

During the dark days of the Abacha regime, any criticism of the so-called transition process was punishable by five years in a Nigerian prison. Nigerian human rights activists and government critics were commonly whisked away to secret trials before military courts and imprisoned; independent media outlets were silenced; workers' rights to organize were restricted; and the infamous State Security [Detention of Persons] Decree No. 2, giving the military sweeping powers of arrest and detention, remained in force.

Perhaps the most horrific example of repression by the Abacha government was the execution of human rights and environmental activist Ken Saro-Wiwa and eight others in November 1995 on trumped-up charges. Between the time of that barbaric spectacle and his death, Abacha appeared to be working even harder to tighten its grip on the country, wasting no opportunity to subjugate the people of Nigeria.

But with the replacement of Abacha by the current military ruler, Gen. Abdulsalami Abubakar, there has been reason to be optimistic about Nigeria's future. Although he has not yet moved to repeal the repressive decrees that place severe restrictions on the basic freedoms of Nigerians, including aforementioned Decree No. 2, Gen. Abubakar has made significant progress in enacting political reforms, including the establishment of a realistic time line for the transition to civilian rule and guidelines for political participation. According to his transition plan, power will be handed over to a civilian government of May 29, 1999, after a series of elections scheduled for December 5, 1998 (local government), January 9, 1999 (state assembly and governors), February 20 1999 (national assembly) and February 27, 1999 (presidential). Abubakar also agreed to release political prisoners, and some have indeed been released including several prominent individuals.

Most Nigerians appear to have embraced this transition program, and many in the international community have welcomed Gen. Abubakar's bold statements. Nevertheless, observers remain apprehensive about the role of the security forces and of the military, perceived weaknesses in the electoral system, the lack of a clear constitutional order, and the possibility of violence during the electoral period. Nigerians also remain concerned about the important questions of federalism and decentralization—including the control and distribution of national wealth—which have yet to be satisfactorily worked out. These concerns, which remain a backdrop to the current transition, tend to dampen what is otherwise a largely optimistic and enthusiastic attitude throughout the country.

Thus, as pleased as I am to see the progress being made, I remain cautious about embracing the new dispensation until we can actually see it in place. Adding to my concerns is the disturbing behavior of the military over New Year's weekend in Bayelsa state. According to unconfirmed reports, as many as 100 people may have been killed in the area around Yenagoa, and the military reinforcements have brought in a force of 10,000 to 15,000 troops to the area. The military government also declared as state of emergency for several days. While the circumstances surrounding the crackdown are unclear, it is troubling that—even during this sensitive time of political transition—the Abubakar regime would rely so heavily on hold habits. Minor disturbance? Send in thousands of troops to take care of it! I fear these troops do not know how to ''maintain public order''; rather, they know only how to implement repression. How seriously can we take Abubakar's encouraging statements about political reform, when he continues to use the instruments of repression learned under the Abacha regime?

Nigeria's political transition is taking place in the context of economic and political collapse. Nigeria has the potential to be the economic powerhouse on the African continent, a key regional political leader, and an important American trading partner, but it is none of these things. Despite its wealth, economic activity in Nigeria continues to stagnate, Even oil revenues are not what they might be, but they remain the only reliable source of economic growth, with the United States purchasing an estimated 41 percent of the output.

Corruption and criminal activity in this military-controlled economic and political system have become common, including reports of drug trafficking and consumer fraud schemes that have originated in Nigeria and reached into the United States, including my home state of Wisconsin.

The last time Nigeria appeared posied finally to make a democratic transition, during the 1993 presidential election, the military quickly annulled the results, and promptly put into prision the presumed winner of that eclection Chief Moshood Abiola.

Despite numerous domestic and international pleas for his release, he remained in prison until his tragic death in July. Years of neglect and months of solitary confinement took its toll on Chief Abiola, and barely one month after the death of General Abacha, Abiola died of an apparent heart attack during a meeting with senior American officials.

It is unfortunate, but Nigeria suffers greatly from the weight of its tortured history. I truly hope the transition currently underway will have better results than previous ones, but we must not let hope and expectation cloud our standards for what is best for Nigeria. I am afraid that the international community, and particularly the Clinton administration, are so quick to reward counties for good behavior, that they then trend to ignore continuing bad behavior. I have noticed this problem in U.S. relations with Indonesia, China, and elsewhere, and it certainly is a concern with Nigeria now.

It is in that light that I have decided to reintroduce my bill. This may sound odd, but I actually hope I don't need to pursue this legislation in its current form. I sincerely hope that the transition in Nigeria goes according to all our best wishes, and that there will be no need to impose these sanctions. But if it does not, the spoilers should be aware the U.S. Congress is watching, and will act. This bill provides the means for that action. We cannot let Nigeria spiral down into the quagmire that has overtaken so much of the continent.

I have long urged the Administration to take the toughest stance possible in support of democracy in Nigeria. The regime in Nigeria must know that anything less than a transparent transition to civilian rule will be met with severe consequences, including new sanctions as mandated in this bill.

Mr. President, the legislation I introduce today represents and effort to encourage the best that Nigeria has to offer, to support those Nigerians who have worked tirelessly and fearlessly for democracy and civilian rule and to move our own government toward a Nigeria policy that vigorously reflects the best American values.

The provisions of my bill include benchmarks defining what would constitute an open political process in Nigeria. Despite all the tumultuous events that have taken place in these few months. I still believe these benchmarks are important, and I continue to call on Gen. Abubaker to implement as soon as possible these important changes, such as the repeal of the repressive decrees enacted under Abacha's rule, so that genuine reform may flourish in Nigeria.

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

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

S. 226

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 ''Nigerian Democracy and Civil Society Empowerment Act of 1999''.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) The rule by successive military regimes in Nigeria has harmed the lives of the people of Nigeria, undermined confidence in the Nigerian economy, damaged relations between Nigeria and the United States, and threatened the political and economic stability of West Africa.

(2) The current military regime, under the leadership of Gen. Abdusalami Abubakar, has made significant progress in liberalizing the political environment in Nigeria, including the release of many political prisoners, increased respect for freedom of assembly, expression and association, and the establishment of a timeframe for a transition to civilian rule.

(3) Previous military regimes allowed Nigeria to become a haven for international drug trafficking rings and other criminal organizations, although the current government has taken some steps to cooperate with the United States Government in halting such trafficking.

(4) Since 1993, the United States and other members of the international community have imposed limited sanctions against Nigeria in response to human rights violations and political repression, although some of these sanctions have been lifted in response to recent political liberalization.

(5) Despite the progress made in protecting certain freedoms, numerous decrees are still in force that suspend the constitutional protection of fundamental human rights, allow indefinite detention without charge, and revoke the jurisdiction of civilian courts over executive actions.

(6) As a party to the International Covenant on Civil and Political Rights (ICCPR) and the African Charter on Human and Peoples' Rights, and a signatory to the Harare Commonwealth Declaration, Nigeria is obligated to fairly conduct elections that guarantee the free expression of the will of the electors.

(7) As the leading military force within the Economic Community of West African States (ECOWAS) peacekeeping force, Nigeria has played a major role in attempting to secure peace in Liberia and Sierra Leone.

(8) Despite the optimism expressed by many observers about the progress that has been made in Nigeria, the country's recent history raises serious questions about the potential success of the transition process. In particular, events in the Niger Delta over the New Year underscore the critical need for ongoing monitoring of the situation and indicate that a return by the military to repressive methods is still a possibility.

(b) DECLARATION OF POLICY.—Congress declares that the United States should encourage political, economic, and legal reforms necessary to ensure rule of law and respect for human rights in Nigeria and support a timely, effective, and sustainable transition to democratic, civilian government in Nigeria.

SEC. 3. SENSE OF CONGRESS.

(a) INTERNATIONAL COOPERATION.—It is the sense of Congress that the President should actively seek to coordinate with other countries to further—

(1) the United States policy of promoting the rule of law and respect for human rights; and

(2) the transition to democratic civilian government.

(b) UNITED NATIONS HUMAN RIGHTS COMMISSION.—It is the sense of Congress that, in light of the importance of Nigeria to the region and the severity of successive military regimes, the President should instruct the United States Representative to the United Nations Commission on Human Rights (UNCHR) to use the voice and vote of the United States at the annual meeting of the Commission—

(1) to condemn human rights abuses in Nigeria, as appropriate, while recognizing the progress that has been made; and

(2) to press for the continued renewal of the mandate of, and continued access to Nigeria for, the special rapporteur on Nigeria.

SEC. 4. ASSISTANCE TO PROMOTE DEMOCRACY AND CIVIL SOCIETY IN NIGERIA.

(a) DEVELOPMENT ASSISTANCE.—

(1) IN GENERAL.—Of the amounts made available for fiscal years 2000, 2001, and 2002 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), not less than $10,000,000 for fiscal year 2000, not less than $12,000,000 for fiscal year 2001, and not less than $15,000,000 for fiscal year 2002 should be available for assistance described in paragraph (2) for Nigeria.

(2) ASSISTANCE DESCRIBED.—

(A) IN GENERAL.—The assistance described in this paragraph is assistance provided to nongovernmental organizations for the purpose of promoting democracy, good governance, and the rule of law in Nigeria.

(B) ADDITIONAL REQUIREMENT.—In providing assistance under this subsection, the Administrator of the United States Agency for International Development shall ensure that nongovernmental organizations receiving such assistance represent a broad cross-section of society in Nigeria and seek to promote democracy, human rights, and accountable government.

(3) GRANTS FOR PROMOTION OF HUMAN RIGHTS.—Of the amounts made available for fiscal years 2000, 2001, and 2002 under paragraph (1), not less than $500,000 for each such fiscal year should be available to the United States Agency for International Development for the purpose of providing grants of not more than $25,000 each to support individuals or nongovernmental organizations that seek to promote, directly or indirectly, the advancement of human rights in Nigeria.

(b) USIA INFORMATION ASSISTANCE.—Of the amounts made available for fiscal years 2000, 2001, and 2002 under subsection (a)(1), not less than $1,000,000 for fiscal year 2000, $1,500,000 for fiscal year 2001, and $2,000,000 for fiscal year 2002 should be made available to the United States Information Agency for the purpose of supporting its activities in Nigeria, including the promotion of greater awareness among Nigerians of constitutional democracy, the rule of law, and respect for human rights.

(c) STAFF LEVELS AND ASSIGNMENTS OF UNITED STATES PERSONNEL IN NIGERIA.—

(1) FINDING.—Congress finds that staff levels at the office of the United States Agency for International Development in Lagos, Nigeria, are inadequate.

(2) SENSE OF CONGRESS.—It is the sense of Congress that the Administrator of the United States Agency for International Development should—

(A) increase the number of United States personnel at such Agency's office in Lagos, Nigeria, from within the current, overall staff resources of such Agency in order for such office to be sufficiently staffed to carry out subsection (a); and

(B) consider placement of personnel elsewhere in Nigeria.

SEC. 5. PROHIBITION ON ECONOMIC ASSISTANCE TO THE GOVERNMENT OF NIGERIA; PROHIBITION ON MILITARY ASSISTANCE FOR NIGERIA; REQUIREMENT TO OPPOSE MULTILATERAL ASSISTANCE FOR NIGERIA.

(a) PROHIBITION ON ECONOMIC ASSISTANCE.—

(1) IN GENERAL.—Economic assistance (including funds previously appropriated for economic assistance) shall not be provided to the Government of Nigeria.

(2) ECONOMIC ASSISTANCE DEFINED.—As used in this subsection, the term ''economic assistance''—

(A) means—

(i) any assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and any assistance under chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.) (relating to economic support fund); and

(ii) any financing by the Export-Import Bank of the United States, financing and assistance by the Overseas Private Investment Corporation, and assistance by the Trade and Development Agency; and

(B) does not include disaster relief assistance, refugee assistance, or narcotics control assistance under chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 et seq.).

(b) PROHIBITION ON MILITARY ASSISTANCE OR ARMS TRANSFERS.—

(1) IN GENERAL.—Military assistance (including funds previously appropriated for military assistance) or arms transfers shall not be provided to Nigeria.

(2) MILITARY ASSISTANCE OR ARMS TRANSFERS.—The term ''military assistance or arms transfers'' means—

(A) assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.) (relating to military assistance), including the transfer of excess defense articles under section 516 of that Act (22 U.S.C. 2321j);

(B) assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) (relating to international military education and training);

(C) assistance under the ''Foreign Military Financing Program'' under section 23 of the Arms Export Control Act (22 U.S.C. 2763); or

(D) the transfer of defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).

(c) REQUIREMENT TO OPPOSE MULTILATERAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary of the Treasury shall instruct the United States executive director to each of the international financial institutions described in paragraph (2) to use the voice and vote of the United States to oppose any assistance to the Government of Nigeria.

(2) INTERNATIONAL FINANCIAL INSTITUTIONS DESCRIBED.—The international financial institutions described in this paragraph are

the African Development Bank, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the International Monetary Fund.

SEC. 6. SENSE OF CONGRESS REGARDING ADMISSION INTO THE UNITED STATES OF CERTAIN NIGERIAN NATIONALS.

It is the sense of Congress that unless the President determines and certifies to the appropriate congressional committees by July 1, 1999, that a democratic transition to civilian rule has taken place in Nigeria, the Secretary of State should deny a visa to any alien who is a senior member of the Nigerian government or a military officer currently in the armed forces of Nigeria.

SEC. 7. WAIVER OF PROHIBITIONS AGAINST NIGERIA IF CERTAIN REQUIREMENTS MET.

(a) IN GENERAL.—The President may waive any of the prohibitions contained in section 5 or 6 for any fiscal year if the President makes a determination under subsection (b) for that fiscal year and transmits a notification to Congress of that determination under subsection (c).

(b) PRESIDENTIAL DETERMINATION REQUIRED.—A determination under this subsection is a determination that—

(1) the Government of Nigeria—

(A) is not harassing or imprisoning human rights and democracy advocates and individuals for expressing their political views;

(B) has implemented the transition program announced in July 1998;

(C) is respecting freedom of speech, assembly, and the media, including cessation of harassment of journalists;

(D) has released the remaining individuals who have been imprisoned without due process or for political reasons;

(E) is continuing to provide access for independent international human rights monitors;

(F) has repealed all decrees and laws that—

(i) grant undue powers to the military;

(ii) suspend the constitutional protection of fundamental human rights;

(iii) allow indefinite detention without charge, including the State of Security (Detention of Persons) Decree No. 2 of 1984; or

(iv) create special tribunals that do not respect international standards of due process; and

(G) has ensured that the policing of the oil producing communities is carried out without excessive use of force or systematic and widespread human rights violations against the civilian population of the area; or

(2) it is in the national interests of the United States to waive the prohibition in section 5 or 6, as the case may be.

(c) CONGRESSIONAL NOTIFICATION.—Notification under this subsection is written notification of the determination of the President under subsection (b) provided to the appropriate congressional committees not less than 15 days in advance of any waiver of any prohibition in section 5 or 6, subject to the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

SEC. 8. REPORT ON CORRUPTION IN NIGERIA.

Not later than 3 months after the date of the enactment of this Act, and annually for the next 5 years thereafter, the Secretary of State shall prepare and submit to the appropriate congressional committees, and make available to the public, a report on corruption in Nigeria. This report shall include—

(1) evidence of corruption by government officials in Nigeria;

(2) the impact of corruption on the delivery of government services in Nigeria;

(3) the impact of corruption on United States business interests in Nigeria;

(4) the impact of advance fee fraud, and other fraudulent business schemes originating in Nigeria, on United States citizens; and

(5) the impact of corruption on Nigeria's foreign policy.

SEC. 9. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

Except as provided in section 6, in this Act, the term ''appropriate congressional committees'' means—

(1) the Committee on International Relations of the House of Representatives;

(2) the Committee on Foreign Relations of the Senate; and

(3) the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 10. TERMINATION DATE.

The provisions of this Act shall terminate on September 30, 2004.

By Mr. COVERDELL (for himself and Mr. BROWNBACK):

S. 227. A bill to prohibit the expenditure of Federal funds to provide or support programs to provide individuals with hypodermic needles or syringes for the use of illegal drugs; to the Committee on Health, Education, Labor, and Pensions.

LEGISLATION TO PROHIBIT NEEDLE EXCHANGE PROGRAMS

Mr. COVERDELL. Mr. President, I am today introducing, along with Senator BROWNBACK and others, a bill to prohibit the use of federal funds to carry out or support programs for the distribution of sterile hypodermic needles or syringes to illegal drug users.

This bill would effectively continue and make permanent the one year ban imposed through the appropriations process. Rather than revisit this issue each year, this bill would establish a firm federal policy against providing free needles to drug addicts. Health and Human Services Secretary Donna Shalala is on record strongly endorsing needle exchange programs and encouraging local communities to use their own dollars to fund needle exchange programs. This legislation is therefore needed to foreclose any temptation the Administration may feel to federally fund needle exchanges in the future.

General Barry McCaffrey, Director of the Office of National Drug Control Policy, has laid out the strong case against needle exchange programs. Handing out needles to drug users sends a message that the government is condoning drug use. It undermines our anti-drug message and undercuts all of our drug prevention efforts.

A report by General McCaffrey's office reviewed the world's largest needle exchange program in Vancouver, British Columbia, in operation since 1988. It found the program to be a failure. HIV infections were higher among users of free needles than those without access to them. The death rate from drugs jumped from 18 a year in 1988 to 150 in 1992. In addition, higher drug use followed implementation of the program.

Dr. James L. Curtis of New York, who has studied needle exchange programs, was quoted in the Washington Times stating that the programs ''should be recognized as reckless experimentation on human beings, the unproven hypothesis being that it prevents AIDS.''

According to recent scientific studies, eight persons a day are infected with the HIV virus by using borrowed needles, while 352 people start using heroin each day and 4,000 die every year from heroin-related causes other than HIV. Far more addicts die of drug overdoses and related violence than from AIDS. It is wrong to aid and abet those deaths by handing out free needles to drug addicts. We should not be encouraging higher rates of heroin use.

Therefore, I hope my colleagues will join me in making permanent the prohibition on federal funding and support of needle giveaway programs.

By Mr. INOUYE:

S. 230. A bill to amend chapter 81 of title 5, United States Code, to authorize the use of clinical social workers to conduct evaluations to determine work-related emotional and mental illnesses; to the Committee on Governmental Affairs.

CLINICAL SOCIAL WORKERS' RECOGNITION ACT OF 1999

Mr. INOUYE. Mr. President, today I rise to introduce the Clinical Social Workers' Recognition Act of 1999 to correct an outstanding problem in the Federal Employees Compensation Act. This bill will also provide clinical social workers the recognition they deserve as independent providers of quality mental health care services.

Clinical social workers are authorized to independently diagnose and treat mental illnesses through public and private health insurance plans across the Nation. However, Title V, United States Code, does not permit the use of mental health evaluations conducted by clinical social workers for use as evidence in determining workers' compensation claims brought by Federal employees. The bill I am introducing corrects this problem.

It is a sad irony that Federal employees may select a clinical social worker through their health plans to provide mental health services, but may not go to this professional for workers' compensation evaluations. The failure to recognize the validity of evaluations provided by clinical social workers unnecessarily limits Federal employees' selection of a provider to conduct the workers' compensation mental health evaluation and may well impose an undue burden on Federal employees where clinical social workers are the only available providers of mental health care.

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

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

S. 230

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 ''Clinical Social Workers' Recognition Act of 1999''.

SEC. 2. EXAMINATIONS BY CLINICAL SOCIAL WORKERS FOR FEDERAL WORKER COMPENSATION CLAIMS.

Section 8101 of title 5, United States Code, is amended—

(1) in paragraph (2) by striking ''and osteopathic practitioners'' and inserting ''osteopathic practitioners, and clinical social workers''; and

(2) in paragraph (3) by striking ''and osteopathic practitioners'' and inserting ''osteopathic practitioners, and clinical social workers''.

By Mr. INOUYE:

S. 232. A bill to amend title XVIII of the Social Security Act to provide improved reimbursement for clinical social worker services under the medicare program, and for other purposes; to the Committee on Finance.

THE CLINICAL SOCIAL WORKER ACT OF 1999

Mr. INOUYE. Mr. President, today I am introducing legislation to amend Title XVIII of the Social Security Act to correct discrepancies in the reimbursement of clinical social workers covered through Medicare, Part B. The three proposed changes contained in this legislation clarify the current payment process for clinical social workers and establish a reimbursement methodology for the profession that is similar to other health care professionals reimbursed through the Medicare program.

First, this legislation sets payment for clinical social worker services according to a fee schedule established by the Secretary. Second, it explicitly states that services and supplies furnished by a clinical social worker are a covered Medicare expense, just as these services are covered for other mental health professionals in Medicare. Third, the bill allows clinical social workers to be reimbursed for services provided to a client who is hospitalized.

Clinical social workers are valued members of our health care provider team. They are legally regulated in every state of the Nation and are recognized as independent providers of mental health care throughout the health care system. I believe it is time to correct the disparate reimbursement treatment of this profession under Medicare.

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

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

S. 232

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

SECTION 1. IMPROVED REIMBURSEMENT FOR CLINICAL SOCIAL WORKER SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Section 1833(a)(1)(F)(ii) of the Social Security Act (42 U.S.C. 1395l(a)(1)(F)(ii)) is amended to read as follows: ''(ii) the amount determined by a fee schedule established by the Secretary,''.

(b) DEFINITION OF CLINICAL SOCIAL WORKER SERVICES EXPANDED.—Section 1861(hh)(2) of the Social Security Act (42 U.S.C. 1395x(hh)(2)) is amended by striking ''services performed by a clinical social worker (as defined in paragraph (1))'' and inserting ''such services and such services and supplies furnished as an incident to such services performed by a clinical social worker (as defined in paragraph (1))''.

(c) CLINICAL SOCIAL WORKER SERVICES NOT TO BE INCLUDED IN INPATIENT HOSPITAL SERVICES.—Section 1861(b)(4) of the Social Security Act (42 U.S.C. 1395x(b)(4)) is amended by striking ''and services'' and inserting ''clinical social worker services, and services''.

(d) TREATMENT OF SERVICES FURNISHED IN INPATIENT SETTING.—Section 1832(a)(2)(B)(iii) of the Social Security Act (42 U.S.C. 1395k(a)(2)(B)(iii)) is amended by striking ''and services'' and inserting ''clinical social worker services, and services''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made for clinical social worker services furnished on or after January 1, 2000.

By Mr. INOUYE:

S. 233. A bill to amend title VII of the Public Health Service Act to ensure that social work students of social work schools are eligible for support under certain programs to assist individuals in pursuing health careers and programs of grants for training projects in geriatrics, and to establish a social work training program; to the Committee on Health, Education, Labor, and Pensions.

AMENDMENT TO TITLE VII OF THE PUBLIC HEALTH SERVICE ACT

Mr. INOUYE. Mr. President, on behalf of our Nation's clinical social workers, I am introducing legislation to amend the Public Health Service Act. This legislation would (1) establish a new social work training program; (2) ensure that social work students are eligible for support under the Health Careers Opportunity Program; (3) provide social work schools with eligibility for support under the Minority Centers of Excellence programs; (4) permit schools offering degrees in social work to obtain grants for training projects in geriatrics; and (5) ensure that social work is recognized as a profession under the Public Health Maintenance Organization (HMO) Act.

Despite the impressive range of services social workers provide to people of this Nation, particularly our elderly, disadvantaged and minority populations, few federal programs exist to provide opportunities for social work training in health and mental health care. This legislation builds on the health professional legislation enacted by the 102d Congress enabling schools of social work to apply for Acquired Immune Deficiency Syndrome (AIDS) training funding and resources to establish collaborative relationships with rural health care providers and schools of osteopathic medicine. This bill would provide funding for traineeships and fellowships for individuals who plan to specialize in, practice, or teach social work, or for operating approved social work training programs; it would help disadvantaged students earn graduate degrees in social work with a concentration in health or mental health; it would provide new resources and opportunities in social work training for minorities; and it would encourage schools of social work to expand program in geriatrics. Finally, the recognition of social work as a profession merely codifies current social work practice and reflects modifications made by the Medicare HMO legislation.

I believe it is important to ensure that the special expertise and skill social workers possess continue to be available to the citizens of this nation. This legislation, by providing financial assistance to schools of social work and social work students, recognizes the long history and critical importance of the services provided by social work professionals. In addition, since social workers have provided quality mental health services to our citizens for a long time and continue to be at the forefront of establishing innovative programs to service our disadvantaged populations, I believe it is time to provide them with the recognition they clearly earned and deserve.

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

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

S. 233

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

SECTION 1. SOCIAL WORK STUDENTS.

(a) HEALTH PROFESSIONS SCHOOL.—Section 736(g)(1)(A) of the Public Health Service Act, as amended by Public Law 105-392, is amended by striking ''graduate program in behavioral or mental health'' and inserting ''graduate program in behavioral or mental health including a school offering graduate programs in clinical social work, or programs in social work''.

(b) SCHOLARSHIPS, GENERALLY.—Section 737(d)(1) of the Public Health Service Act, as amended by Public Lae 105-392, is amended by striking ''mental health practice'' and inserting ''mental health practice including graduate programs in clinical psychology, graduate programs in clinical social work, or programs in social work''.

(c) FACULTY POSITIONS.—Section 738(a)(3) of the Public Health Service Act, as amended by Public Law 105-392, is amended by striking ''offering graduate programs in behavioral and mental health'' and inserting ''offering graduate programs in behavioral and mental health including graduate programs in clinical psychology, graduate programs in clinical social work, or programs in social work''.

SEC. 2. GERIATRICS TRAINING PROJECTS.

Section 753(b)(1) of the Public Health Service Act, as amended by Public Law 105-392, is amended by inserting ''schools offering degrees in social work,'' after ''teaching hospitals,''.

SEC. 3. SOCIAL WORK TRAINING PROGRAM.

Subpart 2 of part E of title VII of the Public Health Service Act, as amended by Public Law 105-392, is amended—

(1) by redesignating section 770 as section 770A;

(2) by inserting after section 769, the following:

''SEC. 770. SOCIAL WORK TRAINING PROGRAM.

''(a) TRAINING GENERALLY.—The Secretary may make grants to, or enter into contracts with, any public or nonprofit private hospital, school offering programs in social work, or to or with a public or private nonprofit entity (which the Secretary has determined is capable of carrying out such grant or contract)—

''(1) to plan, develop, and operate, or participate in, an approved social work training program (including an approved residency or internship program) for students, interns, residents, or practicing physicians;

''(2) to provide financial assistance (in the form of traineeships and fellowships) to students, interns, residents, practicing physicians, or other individuals, who are in need thereof, who are participants in any such program, and who plan to specialize or work in the practice of social work;

''(3) to plan, develop, and operate a program for the training of individuals who plan to teach in social work training programs; and

''(4) to provide financial assistance (in the form of traineeships and fellowships) to individuals who are participants in any such program and who plan to teach in a social work training program.

''(b) ACADEMIC ADMINISTRATIVE UNITS.—

''(1) IN GENERAL.—The Secretary may make grants to or enter into contracts with schools offering programs in social work to meet the costs of projects to establish, maintain, or improve academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in social work.

''(2) PREFERENCE IN MAKING AWARDS.—In making awards of grants and contracts under paragraph (1), the Secretary shall give preference to any qualified applicant for such an award that agrees to expend the award for the purpose of—

''(A) establishing an academic administrative unit for programs in social work; or

''(B) substantially expanding the programs of such a unit.

''(c) DURATION OF AWARD.—The period during which payments are made to an entity from an award of a grant or contract under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments.

''(d) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $10,000,000 for each of the fiscal years 2000 through 2002.

''(2) ALLOCATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than 20 percent for awards of grants and contracts under subsection (b).''; and

(3) in section 770A (as so redesignated) by inserting ''other than section 770,'' after ''carrying out this subpart,''.

SEC. 4. CLINICAL SOCIAL WORKER SERVICES.

Section 1302 of the Public Health Service Act (42 U.S.C. 300e–1) is amended—

(1) in paragraphs (1) and (2), by inserting ''clinical social worker,'' after ''psychologist,'' each place it appears;

(2) in paragraph (4)(A), by striking ''and psychologists'' and inserting ''psychologists, and clinical social workers''; and

(3) in paragraph (5), by inserting ''clinical social work,'' after ''psychology,''.

By Mr. INOUYE:

S. 234. A bill to recognize the organization known as the National Academies of Practice; to the Committee on the Judiciary.

THE NATIONAL ACADEMIES OF PRACTICE RECOGNITION ACT OF 1999

Mr. INOUYE. Mr. President, today I am introducing legislation that would provide a federal charter for the National Academies of Practice. This organization represents outstanding medical professionals who have made significant contributions to the practice of applied psychology, medicine, dentistry, nursing, optometry, podiatry, social work, and veterinary medicine. When fully established, each of the nine academies will possess 100 distinguished practitioners selected by their peers. This umbrella organization will be able to provide the Congress of the United States and the executive branch with considerable health policy expertise, especially from the perspective of those individuals who are in the forefront of actually providing health care.

As we continue to grapple with the many complex issues surrounding the delivery of health care services, it is clearly in our best interest to ensure that the Congress has systematic access to the recommendations of an interdisciplinary body of health care practitioners.

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

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

S. 234

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

SECTION 1. CHARTER.

The National Academies of Practice organized and incorporated under the laws of the District of Columbia, is hereby recognized as such and is granted a Federal charter.

SEC. 2. CORPORATE POWERS.

The National Academies of Practice (referred to in this Act as the ''corporation'') shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State.

SEC. 3. PURPOSES OF CORPORATION.

The purposes of the corporation shall be to honor persons who have made significant contributions to the practice of applied psychology, dentistry, medicine, nursing, optometry, osteopathy, podiatry, social work, veterinary medicine, and other health care professions, and to improve the practices in such professions by disseminating information about new techniques and procedures.

SEC. 4. SERVICE OF PROCESS.

With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 5. MEMBERSHIP.

Eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the bylaws of the corporation.

SEC. 6. BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES.

The composition and the responsibilities of the board of directors of the corporation shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 7. OFFICERS OF THE CORPORATION.

The officers of the corporation and the election of such officers shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 8. RESTRICTIONS.

(a) USE OF INCOME AND ASSETS.—No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) POLITICAL ACTIVITY.—The corporation, any officer, or any director of the corporation, acting as such officer or director, shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) ISSUANCE OF STOCK AND PAYMENT OF DIVIDENDS.—The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) CLAIMS OF FEDERAL APPROVAL.—The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

SEC. 9. LIABILITY.

The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SEC. 10. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the corporation.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time.

(d) APPLICATION OF STATE LAW.—Nothing in this section shall be construed to contravene any applicable State law.

SEC. 11. ANNUAL REPORT.

The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit for such fiscal year required by section 3 of the Act referred to in section 11 of this Act. The report shall not be printed as a public document.

SEC. 12. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

SEC. 13. DEFINITION.

In this Act, the term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

SEC. 14. TAX-EXEMPT STATUS.

The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986 or any corresponding similar provision.

SEC. 15. TERMINATION.

If the corporation fails to comply with any of the restrictions or provisions of this Act the charter granted by this Act shall terminate.

By Mr. INOUYE:

S. 235. A bill to amend title VII of the Public Health Service Act to make certain graduate programs in professional psychology eligible to participate in various health professions loan programs; to the Committee on Health, Education, Labor, and Pensions.

THE U.S. PUBLIC HEALTH SERVICE ACT AMENDMENT ACT OF 1999

Mr. INOUYE. Mr. President, I rise to introduce legislation today to modify Title VII of the U.S. Public Health Service Act in order to provide students enrolled in graduate psychology programs with the opportunity to participate in various health professions loan programs

Providing students enrolled in graduate psychology programs with eligibility for financial assistance in the form of loans, loan guarantees, and scholarships will facilitate a much needed infusion of behavioral science expertise into our public health community of providers. There is a growing recognition of the valuable contribution that is being made by our nation's psychologists toward solving some of our nation's most distressing problems.

The participation of students from all backgrounds and clinical disciplines is vital to the success of health care training. The Title VII programs play a significant role in providing financial support for the recruitment of minorities, women and individuals from economically disadvantaged backgrounds. Minority therapists have an advantage in the provision of critical services to minority populations because often they can communicate with clients in their own language and cultural framework. Minority therapists are more likely to work in community settings, where ethnic minority and economically disadvantaged individuals are most likely to seek care. It is critical that continued support be provided for the training of individuals who provide health care services to underserved communities.

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

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

S. 235

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

SECTION 1. PARTICIPATION IN VARIOUS HEALTH PROFESSIONS LOAN PROGRAMS.

(a) LOAN AGREEMENTS.—Section 721 of the Public Health Service Act (42 U.S.C. 292q) is amended—

(1) in subsection (a), by inserting '', or any public or nonprofit school that offers a graduate program in professional psychology'' after ''veterinary medicine'';

(2) in subsection (b)(4), by inserting '', or to a graduate degree in professional psychology'' after ''or doctor of veterinary medicine or an equivalent degree''; and

(3) in subsection (c)(1), by inserting '', or schools that offer graduate programs in professional psychology'' after ''veterinary medicine''.

(b) LOAN PROVISIONS.—Section 722 of the Public Health Service Act (42 U.S.C. 292r) is amended—

(1) in subsection (b)(1), by inserting '', or to a graduate degree in professional psychology'' after ''or doctor of veterinary medicine or an equivalent degree'';

(2) in subsection (c), in the matter preceding paragraph (1), by inserting '', or at a school that offers a graduate program in professional psychology'' after ''veterinary medicine''; and

(3) in subsection (k)—

(A) in the matter preceding paragraph (1), by striking ''or podiatry'' and inserting ''podiatry, or professional psychology''; and

(B) in paragraph (4), by striking ''or podiatric medicine'' and inserting ''podiatric medicine, or professional psychology''.

SEC. 2. GENERAL PROVISIONS.

(a) HEALTH PROFESSIONS DATA.—Section 792(a) of the Public Health Service Act (42 U.S.C. 295k(a)) is amended by striking ''clinical'' and inserting ''professional''.

(b) PROHIBITION AGAINST DISCRIMINATION ON BASIS OF SEX.—Section 794 of the Public Health Service Act (42 U.S.C. 295m) is amended in the matter preceding paragraph (1) by striking ''clinical'' and inserting ''professional''.

(c) DEFINITIONS.—Section 799B(1)(B) of the Public Health Service Act (as redesignated by section 106(a)(2)(E) of the Health Professions Education Partnerships Act of 1998) is amended by striking ''clinical'' each place it appears and inserting ''professional''.

By Mr. INOUYE:

S. 236. A bill to amend title VII of the Public Health Service Act to establish a psychology post-doctoral fellowship program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE PUBLIC HEALTH SERVICE ACT OF 1999

Mr. INOUYE. Mr. President, I am introducing legislation today to amend Title VII of the Public Health Service Act to establish a psychology post-doctoral program.

Psychologists have made a unique contribution in serving the nation's medically underserved populations. Expertise in behavioral science is useful in addressing many of our most distressing concerns such as violence, addiction, mental illness, adolescent and child behavioral disorders, and family disruption. Establishment of a psychology post-doctoral program could be most effective in finding solutions to these pressing societal issues.

Similar programs supporting additional, specialized training in traditionally underserved settings or with underserved populations have been demonstrated to be successful in providing services to those same underserved during the years following the training experience. For example, mental health professional who have participated in these specialized federally funded programs have tended not only to meet their pay back obligations, but have continued to work in the public sector or with the underserved populations with whom they have been trained to work.

While the doctorate in psychology provides broad based knowledge and mastery in a wide variety of clinical skills, the specialized post-doctoral fellowship programs develop particular diagnostic and treatment skills required to effectively respond to these underserved populations. For example, what looks like severe depression in an elderly person might actually be withdrawal related to hearing loss, or what appears to be poor academic motivation in a child recently relocated from Southeast Asia might be reflective of a cultural value of reserve rather than a disinterest in academic learning. Each of these situations requires very different interventions, of course, and specialized assessment skills.

Domestic violence is not just a problem for the criminal justice system, it is a significant public health problem. A single aspect of this issue, domestic violence against women, results in almost 100,000 days of hospitalization, 30,000 emergency room visits and 40,000 visits to physicians each year. Rates of child and spouse abuse in rural areas are particularly high as are the rates of alcohol abuse and depression in adolescents. A post-doctoral fellowship program in psychology of the rural populations could be of special benefit in addressing the problems.

Given the changing demographics of the nation—the increasing life span and numbers of the elderly, the rising percentage of minority populations within the country, as well as an increased recognition of the long-term sequelae of violence and abuse—and given the demonstrated success and effectiveness of these kinds of specialized training programs, it is incumbent

upon us to encourage participation in post-doctoral fellowships that respond to the needs of the nation's underserved.

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

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

S. 236

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

SECTION 1. GRANTS FOR FELLOWSHIPS IN PSYCHOLOGY.

Part E of title VII of the Public Health Service Act (42 U.S.C. 294o et seq.) is amended by adding at the end the following:

"SEC. 779. GRANTS FOR FELLOWSHIPS IN PSYCHOLOGY.

''(a) IN GENERAL.—The Secretary shall establish a psychology post-doctoral fellowship program to make grants to and enter into contracts with eligible entities to encourage the provision of psychological training and services in underserved treatment areas.

''(b) ELIGIBLE ENTITIES.—

''(1) INDIVIDUALS.—In order to receive a grant under this section an individual shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary shall require, including a certification that such individual—

''(A) has received a doctoral degree through a graduate program in psychology provided by an accredited institution at the time such grant is awarded;

''(B) will provide services in a medically underserved population during the period of such grant;

''(C) will comply with the provisions of subsection (c); and

''(D) will provide any other information or assurances as the Secretary determines appropriate.

''(2) INSTITUTIONS.—In order to receive a grant or contract under this section, an institution shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary shall require, including a certification that such institution—

''(A) is an entity, approved by the State, that provides psychological services in medically underserved areas or to medically underserved populations (including entities that care for the mentally retarded, mental health institutions, and prisons);

''(B) will use amounts provided to such institution under this section to provide financial assistance in the form of fellowships to qualified individuals who meet the requirements of subparagraphs (A) through (C) of paragraph (1);

''(C) will not use in excess of 10 percent of amounts provided under this section to pay for the administrative costs of any fellowship programs established with such funds; and

''(D) will provide any other information or assurance as the Secretary determines appropriate.

''(c) CONTINUED PROVISION OF SERVICES.—Any individual who receives a grant or fellowship under this section shall certify to the Secretary that such individual will continue to provide the type of services for which such grant or fellowship is awarded for at least 1 year after the term of the grant or fellowship has expired.

''(d) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations necessary to carry out this section, including regulations that define the terms 'medically underserved areas' or 'medically unserved populations'.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 2000 through 2002.''.

By Mr. INOUYE:

S. 237. A bill to allow the psychiatric or psychological examinations required under chapter 313 of title 18, United States Code, relating to offenders with mental disease or defect, to be conducted by a clinical social worker; to the Committee on the Judiciary.

THE PSYCHIATRIC AND PSYCHOLOGICAL EXAMINATIONS ACT OF 1999

Mr. INOUYE. Mr. President, today I introduce legislation to amend Title 18 of the United States Code to allow our nation's clinical social workers to provide their mental health expertise to the federal judiciary.

I feel that the time has come to allow our nation's judicial system to have access to a wide range of behavioral science and mental health expertise. I am confident that the enactment of this legislation would be very much in our nation's best interest.

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

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

S. 237

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

SECTION 1. EXAMINATIONS BY CLINICAL SOCIAL WORKERS.

Section 4247(b) of title 18, United States Code, is amended, in the first sentence, by striking ''psychiatrist or psychologist'' and inserting ''psychiatrist, psychologist, or clinical social worker''.

By Mr. INOUYE:

S. 238. A bill to amend title 10, United States Code, to increase the grade provided for the heads of the nurse corps of the Armed Forces; to the Committee on Armed Services.

U.S. MILITARY CHIEF NURSE CORPS AMENDMENT ACT OF 1999

Mr. INOUYE. Mr. President, today I introduce an amendment that would change the existing law regarding the designated position and grade for the Chief Nurses of the United States Army, the United States Navy, and the United States Air Force. Currently, the Chief Nurses of the three branches of the military are one-star general officer grades; this law would change the current grade to Major General in the Army and Air Force and Rear Admiral (upper half) in the Navy.

Our military Chief Nurses have an awesome responsibility—their scope of duties include peacetime and wartime health care doctrine, standards and policy for all nursing personnel within their respective branches. They are responsible for 80,000 Army, 5,200 Navy, and 20,000 Air Force officer and enlisted nursing personnel in the active, reserve and guard components of the military. This level of responsibility certainly supports the need to change the grade for the Chief Nurses which would ensure that they have an appropriate voice in Defense Health Program executive management.

Organizations are best served when the leadership is composed of a mix of specialties—of equal rank—who bring their unique talents to the policy setting and decision-making process. I believe it is time to ensure that military health care organizations utilize the expertise and unique contributions of the military Chief Nurses.

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

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

S. 238

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

SECTION 1. INCREASED GRADE FOR HEADS OF NURSE CORPS.

(a) ARMY.—Section 3069(b) of title 10, United States Code, is amended by striking out ''brigadier general'' in the second sentence and inserting in lieu thereof ''major general''.

(b) NAVY.—The first sentence of section 5150(c) of such title is amended—

(1) by inserting ''rear admiral (upper half) in the case of an officer in the Nurse Corps or'' after ''for promotion to the grade of''; and

(2) by inserting ''in the case of an officer in the Medical Service Corps'' after ''rear admiral (lower half)''.

(c) AIR FORCE.—Section 8069(b) of such title is amended by striking out ''brigadier general'' in the second sentence and inserting in lieu thereof ''major general''.

By Mr. INOUYE:

S. 239. A bill to amend title 38, United States Code, to revise certain provisions relating to the appointment of professional psychologists in the Veterans' Health Administration, and for other purposes; to the Committee on Veterans' Affairs.

THE PERKINS COUNTY RURAL WATER SYSTEM ACT OF 1999

Mr. JOHNSON. Mr. President, today I am proud to introduce legislation to authorize a critically important rural water system in South Dakota, the ''Perkins County Rural Water System Act of 1999.'' I am pleased to have my good friend and colleague from South Dakota, Senator DASCHLE, as an original cosponsor of this important legislation, which we introduced during the 105th. This legislation is also strongly supported by the State of South Dakota and local project sponsors, who have demonstrated that support by

agreeing to substantial financial contributions from the local level.

During the 105th Congress the Perkins County Rural Water System Act was passed by the Senate Energy and Natural Resources Committee, as well as the full Senate. Unfortunately, this legislation was caught up in part of a larger legislative package, but I am hopeful the Senate will again support this important drinking water project and pass this legislation early this year.

Like many parts of South Dakota, Perkins County has insufficient water supplies of reasonable quality available, and the water supplies that are available do not meet the minimum health and safety standards, thereby posing a threat to public health and safety.

In addition to improving the health of residents in the region, I strongly believe that this rural drinking water delivery project will help to stabilize the rural economy as well. Water is a basic commodity and is essential if we are to foster rural development in many parts of rural South Dakota, including the Perkins County area.

The ''Perkins County Rural Water System Act of 1999'' authorizes the Bureau of Reclamation to construct a Perkins County Rural Water System providing service to approximately 2,500 people, including the communities of Lemmon and Bison, as well as rural residents. The Perkins County Rural Water System is located in northwestern South Dakota along the South Dakota/North Dakota border and it will be an extension of an existing rural water system in North Dakota, the Southwest Pipeline Project. The State of South Dakota has worked closely with the State of North Dakota over the years on the Perkins County connection to the Southwest Pipeline Project. A feasibility study completed in 1994 looked at several alternatives for a dependable water supply, and the connection to the Southwest Pipeline Project is clearly the most feasible for the Perkins County area.

Mr. President, South Dakota is plagued by water of exceeding poor quality, and the Perkins County rural water project is an effort to help provide clean water—a commodity most of us take for granted—to the people of Perkins County, South Dakota. I am a strong believer in the federal government's role in rural water delivery, and I hope to continue to advance that agenda both in South Dakota and around the country. I urge my colleagues to support this important rural water legislation, and I look forward to working with my colleagues on the Senate Energy and Natural Resources Committee to move forward on enactment as quickly as possible.

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

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

S. 239

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 ''Perkins County Rural Water System Act of 1999''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there are insufficient water supplies of reasonable quality available to the members of the Perkins County Rural Water System located in Perkins County, South Dakota, and the water supplies that are available do not meet minimum health and safety standards, thereby posing a threat to public health and safety;

(2) in 1977, the North Dakota State Legislature authorized and directed the State Water Commission to conduct the Southwest Area Water Supply Study, which included water service to a portion of Perkins County, South Dakota;

(3) amendments made by the Garrison Diversion Unit Reformulation Act of 1986 (Public Law 101–294) authorized the Southwest Pipeline project as an eligible project for Federal cost share participation;

(4) the Perkins County Rural Water System has continued to be recognized by the State of North Dakota, the Southwest Water Authority, the North Dakota Water Commission, the Department of the Interior, and Congress as a component of the Southwest Pipeline Project; and

(5) the best available, reliable, and safe rural and municipal water supply to serve the needs of the Perkins County Rural Water System, Inc., members is the waters of the Missouri River as delivered by the Southwest Pipeline Project in North Dakota.

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

(1) to ensure a safe and adequate municipal, rural, and industrial water supply for the members of the Perkins County Rural Water Supply System, Inc., in Perkins County, South Dakota;

(2) to assist the members of the Perkins County Rural Water Supply System, Inc., in developing safe and adequate municipal, rural, and industrial water supplies; and

(3) to promote the implementation of water conservation programs by the Perkins County Rural Water System, Inc.

SEC. 3. DEFINITIONS.

In this Act:

(1) FEASIBILITY STUDY.—The term ''feasibility study'' means the study entitled ''Feasibility Study for Rural Water System for Perkins County Rural Water System, Inc.'', as amended in March 1995.

(2) PROJECT CONSTRUCTION BUDGET.—The term ''project construction budget'' means the description of the total amount of funds that are needed for the construction of the water supply system, as described in the feasibility study.

(3) PUMPING AND INCIDENTAL OPERATIONAL REQUIREMENTS.—The term ''pumping and incidental operational requirements'' means all power requirements that are incidental to the operation of intake facilities, pumping stations, water treatment facilities, cooling facilities, reservoirs, and pipelines to the point of delivery of water by the Perkins County Rural Water System to each entity that distributes water at retail to individual users.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation.

(5) WATER SUPPLY SYSTEM.—The term ''water supply system'' means the Perkins County Rural Water System, Inc., a nonprofit corporation, established and operated substantially in accordance with the feasibility study.

SEC. 4. FEDERAL ASSISTANCE FOR WATER SUPPLY SYSTEM.

(a) IN GENERAL.—The Secretary shall make grants to the water supply system for the Federal share of the costs of—

(1) the planning and construction of the water supply system; and

(2) repairs to existing public water distribution systems to ensure conservation of the resources and to make the systems functional under the new water supply system.

(b) SERVICE AREA.—The water supply system shall provide for safe and adequate municipal, rural, and industrial water supplies, mitigation of wetlands areas, repairs to existing public water distribution systems, and water conservation in Perkins County, South Dakota.

(c) AMOUNT OF GRANTS.—Grants made available under subsection (a) to the water supply system shall not exceed the Federal share under section 10.

(d) LIMITATION ON AVAILABILITY OF CONSTRUCTION FUNDS.—The Secretary shall not obligate funds for the construction of the water supply system until—

(1) the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) are met with respect to the water supply system; and

(2) a final engineering report and a plan for a water conservation program have been prepared and submitted to Congress for a period of not less than 90 days before the commencement of construction of the system.

SEC. 5. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation of fish and wildlife losses incurred as a result of the construction and operation of the water supply system shall be on an acre-for-acre basis, based on ecological equivalency, concurrent with project construction, as provided in the feasibility study.

SEC. 6. USE OF PICK-SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri River Basin Program, the Western Area Power Administration shall make available the capacity and energy required to meet the pumping and incidental operational requirements of the water supply system during the period beginning May 1 and ending October 31 of each year.

(b) CONDITIONS.—The capacity and energy described in subsection (a) shall be made available on the following conditions:

(1) The water supply system shall be operated on a not-for-profit basis.

(2) The water supply system shall contract to purchase its entire electric service requirements, including the capacity and energy made available under subsection (a), from a qualified preference power supplier that itself purchases power from the Western Area Power Administration.

(3) The rate schedule applicable to the capacity and energy made available under subsection (a) shall be the firm power rate schedule of the Pick-Sloan Eastern Division of the Western Area Power Administration in effect when the power is delivered by the Administration.

(4) It shall be agreed by contract among—

(A) the Western Area Power Administration;

(B) the power supplier with which the water supply system contracts under paragraph (2);

(C) the power supplier of the entity described in subparagraph (B); and

(D) the Perkins County Rural Water System, Inc.;

that in the case of the capacity and energy made available under subsection (a), the benefit of the rate schedule described in paragraph (3) shall be passed through to the water supply system, except that the power supplier of the water supply system shall not be precluded from including, in the charges of the supplier to the water system for the electric service, the other usual and customary charges of the supplier.

SEC. 7. NO LIMITATION ON WATER PROJECTS IN STATES.

This Act does not limit the authorization for water projects in South Dakota and North Dakota under law in effect on or after the date of enactment of this Act.

SEC. 8. WATER RIGHTS.

Nothing in this Act—

(1) invalidates or preempts State water law or an interstate compact governing water;

(2) alters the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempts or modifies any Federal or State law, or interstate compact, dealing with water quality or disposal; or

(4) confers on any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

SEC. 9. FEDERAL SHARE.

The Federal share under section 4 shall be 75 percent of—

(1) the amount allocated in the total project construction budget for the planning and construction of the water supply system under section 4; and

(2) such sums as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after March 1, 1995.

SEC. 10. NON-FEDERAL SHARE.

The non-Federal share under section 4 shall be 25 percent of—

(1) the amount allocated in the total project construction budget for the planning and construction of the water supply system under section 4; and

(2) such sums as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after March 1, 1995.

SEC. 11. CONSTRUCTION OVERSIGHT.

(a) AUTHORIZATION.—The Secretary may provide construction oversight to the water supply system for areas of the water supply system.

(b) PROJECT OVERSIGHT ADMINISTRATION.—The amount of funds used by the Secretary for planning and construction of the water supply system may not exceed an amount equal to 3 percent of the amount provided in the total project construction budget for the portion of the project to be constructed in Perkins County, South Dakota.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated—

(1) $15,000,000 for the planning and construction of the water system under section 4; and

(2) such sums as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after March 1, 1995.

By Mr. INOUYE:

S. 239. A bill to amend title 38, United States Code, to revise certain provisions relating to the appointment of professional psychologists in the Veterans' Health Administration, and for other purposes; to the Committee on Veterans' Affairs.

THE VETERANS' HEALTH ADMINISTRATION ACT OF 1999

Mr. INOUYE. Mr. President, I introduce legislation today to amend Chapter 74 of Title 38, United States Code, to revise certain provisions relating to the appointment of clinical and professional psychologists in the Veterans' Health Administration (VHA).

The VHA has a long history of maintaining a staff of the very best health care professionals to provide care to those men and women who have served our country in the Armed Forces.

Recently, a quite distressing situation regarding the care of our veterans has come to my attention. In particular, the recruiting and retention of psychologists in the VHA of the Department of Veterans' Affairs has become a significant problem.

The Congress has recognized the important contribution of the behavioral sciences in the treatment of several conditions afflicting a significant portion of our veterans. Programs related to homelessness, substance abuse, and post traumatic stress disorder (PTSD) have received funding from the Congress in recent years.

Certainly, psychologists, as behavioral science experts, are essential to the successful implementation of these programs. However, the high vacancy and turnover rates for psychologists in the VHA (more than 5% and 8% respectively as reported in one recent survey) might seriously jeopardize these programs and will negatively impact overall patient care in the VHA.

Recruitment of psychologists by the VHA is hindered by a number of factors including a pay scale not commensurate with private sector rates and the low number of clinical and professional psychologists appearing on the register of the Office of Personnel Management (OPM). Most new hires have no post-doctoral experience and are hired immediately after a VHA internship. Recruitment, when successful, takes up to six months or more.

Retention of psychologists in the VHA system poses an even more significant problem. I have been informed that almost 40% of VHA psychologists have five years or less of post-doctoral experience. Psychologists leave the VHA system after five years because they have almost reached peak levels for salary and professional advancement. Furthermore, under the present system psychologists cannot be recognized nor appropriately compensated for excellence or for taking on additional responsibilities such as running treatment programs.

In effect, the current system for hiring psychologists in the VHA supports mediocrity, not excellence and mastery. Our veterans with behavioral and mental health disorders are deserving of better psychological care from more experienced professionals than they are currently receiving.

Currently, psychologists are the only doctoral level health care providers in the VHA who are not included in Title 38. This is without question a significant factor in the recruitment and retention difficulties which I have addressed. Title 38 appointment authority for psychologists would help ameliorate the recruitment and retention problems. The length of time to recruit psychologists could be abbreviated by eliminating the requirement for applicants to be rated by the Office of Personnel Management. This would also encourage the recruitment of applicants who are not recent VHA interns by reducing the amount of time between identifying a desirable applicant and being able to offer that applicant a position.

It is expected that problems in retention will be greatly alleviated with the implementation of a Title 38 system that offers financial incentives for psychologists to pursue professional development. Achievements that would merit salary increases include such activities as assuming supervisory responsibilities for clinical programs, implementing innovative clinical treatments that improve the effectiveness and/or efficiency of patient care, making significant contributions to the science of psychology, earning the ABPP displomate state, and becoming a Fellow of the American Psychological Association.

The conversion of psychologists to Title 38, as proposed by this amendment, would provide relief for the retention and recruitment issues and enhance the quality of care for our Nation's veterans and their families.

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

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

S. 239

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

SECTION 1. REVISION OF AUTHORITY RELATING TO APPOINTMENT OF PROFESSIONAL PSYCHOLOGISTS IN THE VETERANS' HEALTH ADMINISTRATION.

(a) IN GENERAL.—Section 7401(3) of title 38, United States Code, is amended by striking out ''who hold diplomas as diplomates in psychology from an accrediting authority approved by the Secretary''.

(b) CERTAIN OTHER APPOINTMENTS.—Section 7405(a) of such title is amended—

(1) in paragraph (1)(B), by striking out ''Certified or'' and inserting in lieu thereof ''Professional psychologists, certified or''; and

(2) in paragraph (2)(B), by striking out ''Certified or'' and inserting in lieu thereof ''Professional psychologists, certified or''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act.

(d) APPOINTMENT REQUIREMENT.—Notwithstanding any other provision of law, the Secretary of Veterans' Affairs shall begin to make appointments of professional psychologists in the Veterans' Health Administration under section 7401(3) of title 38, United States Code (as amended by subsection (a)), not later than 1 year after the date of the enactment of this Act.

By Mr. JOHNSON (for himself, Mr. DASCHLE, Mr. GRAMS, Mr. WELLSTONE, Mr. GRASSLEY, and Mr. HARKIN):

S. 244. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

THE LEWIS AND CLARK RURAL WATER SYSTEM ACT OF 1999

Mr. JOHNSON. Mr. President, today, I am proud to be introducing legislation, along with my colleagues, the Minority Leader Senator DASCHLE of South Dakota, Senator HARKIN and Senator GRASSLEY of Iowa, and Senator WELLSTONE and Senator GRAMS of Minnesota, to authorize the Lewis and Clark Rural Water System. We introduced similar legislation last Congress, and I am pleased with the progress we made in the Senate Committee on Energy and Natural Resources. The Committee held a hearing and passed the legislation during the 105th Congress, and I look forward to again working closely with my colleagues for timely consideration of this important measure.

The Lewis and Clark Rural Water system is made up of 22 rural water systems and communities in southeastern South Dakota, northwestern Iowa and southwestern Minnesota who have joined together in an effort to cooperatively address the dual problems facing the delivery of drinking water in this region—inadequate quantities of water and poor quality water.

The region has seen substantial growth and development in recent years, and studies have shown that future water needs will be significantly greater than the current available supply. Most of the people who are served by ten of the water utilities in the proposed Lewis and Clark project area currently enforce water restrictions on a seasonal basis. Almost half of the membership has water of such poor quality it does not meet present or proposed standards for drinking water. More than two-thirds rely on shallow aquifers as their primary source of drinking water, aquifers which are very vulnerable to contamination by surface activities.

The Lewis and Clark system will be a supplemental supply of drinking water for its 22 members, acting as a treated, bulk delivery system. The distribution to deliver water to individual users will continue through the existing systems used by each member utility. This ''regionalization approach'' to solving these water supply and quality problems enables the Missouri River to provide a source of clean, safe drinking water to more than 180,000 individuals. A source of water which none of the members of Lewis and Clark could afford on their own.

The proposed system would help to stabilize the regional rural economy by providing water to Sioux Falls, the hub city in the region, as well as numerous small communities and individual farms in South Dakota and portions of Iowa and Minnesota.

The States of South Dakota, Iowa and Minnesota have all authorized the project and local sponsors have demonstrated a financial commitment to this project through state grants, local water development district grants and membership dues. The State of South Dakota has already contributed more than $400,000.

Mr. President, I do not believe our needs get any more basic than good quality, reliable drinking water, and I appreciate the fact that Congress has shown support for efforts to improve drinking water supplies in South Dakota. I look forward to continue working with my colleagues to have that support extended to the Lewis and Clark Rural Water System

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

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

S. 244

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 ''Lewis and Clark Rural Water System Act of 1999''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ENVIRONMENTAL ENHANCEMENT.—The term ''environmental enhancement'' means the wetland and wildlife enhancement activities that are carried out substantially in accordance with the environmental enhancement component of the feasibility study.

(2) ENVIRONMENTAL ENHANCEMENT COMPONENT.—The term ''environmental enhancement component'' means the component described in the report entitled ''Wetlands and Wildlife Enhancement for the Lewis and Clark Rural Water System'', dated April 1991, that is included in the feasibility study.

(3) FEASIBILITY STUDY.—The term ''feasibility study'' means the study entitled ''Feasibility Level Evaluation of a Missouri River Regional Water Supply for South Dakota, Iowa and Minnesota'', dated September 1993, that includes a water conservation plan, environmental report, and environmental enhancement component.

(4) MEMBER ENTITY.—The term ''member entity'' means a rural water system or municipality that signed a Letter of Commitment to participate in the water supply system.

(5) PROJECT CONSTRUCTION BUDGET.—The term ''project construction budget'' means the description of the total amount of funds needed for the construction of the water supply system, as contained in the feasibility study.

(6) PUMPING AND INCIDENTAL OPERATIONAL REQUIREMENTS.—The term ''pumping and incidental operational requirements'' means all power requirements that are incidental to the operation of intake facilities, pumping stations, water treatment facilities, reservoirs, and pipelines up to the point of delivery of water by the water supply system to each member entity that distributes water at retail to individual users.

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

(8) WATER SUPPLY SYSTEM.—The term ''water supply system'' means the Lewis and Clark Rural Water System, Inc., a nonprofit corporation established and operated substantially in accordance with the feasibility study.

SEC. 3. FEDERAL ASSISTANCE FOR THE WATER SUPPLY SYSTEM.

(a) IN GENERAL.—The Secretary shall make grants to the water supply system for the planning and construction of the water supply system.

(b) SERVICE AREA.—The water supply system shall provide for safe and adequate municipal, rural, and industrial water supplies, environmental enhancement, mitigation of wetland areas, and water conservation in—

(1) Lake County, McCook County, Minnehaha County, Turner County, Lincoln County, Clay County, and Union County, in southeastern South Dakota;

(2) Rock County and Nobles County, in southwestern Minnesota; and

(3) Lyon County, Sioux County, Osceola County, O'Brien County, Dickinson County, and Clay County, in northwestern Iowa.

(c) AMOUNT OF GRANTS.—Grants made available under subsection (a) to the water supply system shall not exceed the amount of funds authorized under section 10.

(d) LIMITATION ON AVAILABILITY OF CONSTRUCTION FUNDS.—The Secretary shall not obligate funds for the construction of the water supply system until—

(1) the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) are met;

(2) a final engineering report is prepared and submitted to Congress not less than 90 days before the commencement of construction of the water supply system; and

(3) a water conservation program is developed and implemented.

SEC. 4. FEDERAL ASSISTANCE FOR THE ENVIRONMENTAL ENHANCEMENT COMPONENT.

(a) INITIAL DEVELOPMENT.—The Secretary shall make grants and other funds available to the water supply system and other private, State, and Federal entities, for the initial development of the environmental enhancement component.

(b) NONREIMBURSEMENT.—Funds provided under subsection (a) shall be nonreimbursable and nonreturnable.

SEC. 5. WATER CONSERVATION PROGRAM.

(a) IN GENERAL.—The water supply system shall establish a water conservation program

that ensures that users of water from the water supply system use the best practicable technology and management techniques to conserve water use.

(b) REQUIREMENTS.—The water conservation programs shall include—

(1) low consumption performance standards for all newly installed plumbing fixtures;

(2) leak detection and repair programs;

(3) rate schedules that do not include declining block rate schedules for municipal households and special water users (as defined in the feasibility study);

(4) public education programs and technical assistance to member entities; and

(5) coordinated operation among each rural water system, and each water supply facility in existence on the date of enactment of this Act, in the service area of the system.

(c) REVIEW AND REVISION.—The programs described in subsection (b) shall contain provisions for periodic review and revision, in cooperation with the Secretary.

SEC. 6. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation for fish and wildlife losses incurred as a result of the construction and operation of the water supply system shall be on an acre-for-acre basis, based on ecological equivalency, concurrent with project construction, as provided in the feasibility study.

SEC. 7. USE OF PICK–SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri Basin program, the Western Area Power Administration shall make available the capacity and energy required to meet the pumping and incidental operational requirements of the water supply system during the period beginning on May 1 and ending on October 31 of each year.

(b) CONDITIONS.—The capacity and energy described in subsection (a) shall be made available on the following conditions:

(1) The water supply system shall be operated on a not-for-profit basis.

(2) The water supply system shall contract to purchase the entire electric service requirements of the system, including the capacity and energy made available under subsection (a), from a qualified preference power supplier that itself purchases power from the Western Area Power Administration.

(3) The rate schedule applicable to the capacity and energy made available under subsection (a) shall be the firm power rate schedule of the Pick-Sloan Eastern Division of the Western Area Power Administration in effect when the power is delivered by the Administration.

(4) It is agreed by contract among—

(A) the Western Area Power Administration;

(B) the power supplier with which the water supply system contracts under paragraph (2);

(C) the power supplier of the entity described in subparagraph (B); and

(D) the water supply system;

that in the case of the capacity and energy made available under subsection (a), the benefit of the rate schedule described in paragraph (3) shall be passed through to the water supply system, except that the power supplier of the water supply system shall not be precluded from including, in the charges of the supplier to the water system for the electric service, the other usual and customary charges of the supplier.

SEC. 8. NO LIMITATION ON WATER PROJECTS IN STATES.

This Act does not limit the authorization for water projects in the States of South Dakota, Iowa, and Minnesota under law in effect on or after the ate of enactment of this Act.

SEC. 9. WATER RIGHTS.

Nothing in this Act—

(1) invalidates or preempts State water law or an interstate compact governing water;

(2) alters the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempts or modifies any Federal or State law, or interstate compact, governing water quality or disposal; or

(4) confers on any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

SEC. 10. COST SHARING.

(a) FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall provide funds equal to 80 percent of—

(A) the amount allocated in the total project construction budget for planning and construction of the water supply system under section 3;

(B) such amounts as are necessary to defray increases in the budget for planning and construction of the water supply system under section 3; and

(C) such amounts as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after September 1, 1993.

(2) SIOUX FALLS.—The Secretary shall provide funds for the city of Sioux Falls, South Dakota, in an amount equal to 50 percent of the incremental cost to the city of participation in the project.

(b) NON-FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the non-Federal share of the costs allocated to the water supply system shall be 20 percent of the amounts described in subsection (a)(1).

(2) SIOUX FALLS.—The non-Federal cost-share for the city of Sioux Falls, South Dakota, shall be 50 percent of the incremental cost to the city of participation in the project.

SEC. 11. BUREAU OF RECLAMATION.

(a) AUTHORIZATION.—The Secretary may allow the Director of the Bureau of Reclamation to provide project construction oversight to the water supply system and environmental enhancement component for the service area of the water supply system described in section 3(b).

(b) PROJECT OVERSIGHT ADMINISTRATION.—The amount of funds used by the Director of the Bureau of Reclamation for planning and construction of the water supply system shall not exceed the amount that is equal to 1 percent of the amount provided in the total project construction budget for the entire project construction period.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $226,320,000, of which not less than $8,487,000 shall be used for the initial development of the environmental enhancement component under section 4, to remain available until expended.

Mr. GRAMS. Mr. President, I rise today with my colleagues for the introduction of the Lewis and Clark Rural Water System Act of 1999. I would like to thank Senator JOHNSON and Senator DASCHLE for their hard work and dedication to this project over the past two Congresses.

Mr. President, the Southwestern corner of Minnesota, along with adjoining areas in South Dakota and Iowa, is now served by a wholly inadequate water system which is highly susceptible to drought, leading most of the communities in this region to impose severe water restrictions.

The situation has forced communities throughout the region to explore aggressively alternative water supplies. Communities such as Luverne and Worthington, both in southwestern Minnesota, have spent tens of thousands of dollars yearly in an unsuccessful search for another water source, always with the same disappointing results. Eventually, however, it was determined that by working together with communities throughout the region and in all three states, a workable solution might be found.

That solution is the bill we are introducing today. Under this legislation, local communities will come together with the affected states and the federal government to form a strong, financial partnership, thereby ensuring an adequate, safe water supply while reducing the cost to the American taxpayers.

The Lewis and Clark Rural Water System is a fiscally responsible project that invests in the future economic health of the tri-state region by strengthening its critical utilities infrastructure. With increasing population growth, economic development, new federal drinking water regulations, water demands, and shallow wells and aquifers which are subject to contamination, it is critical that the area encompassed by the Lewis and Clark Rural Water System establish a clean, reliable water source to meet the demand for future water use that cannot be met by present resources.

Mr. President, this legislation has been before the Senate for the last two Congresses. Last year, we were successful in passing the legislation through the Energy and Natural Resources Committee. This year, we must see this bill passed by the Senate and the House and sent to the President for his signature.

Providing safe and available drinking water to our communities is one of the most basic functions of government. It is not a partisan issue, and therefore I am proud to join with a bipartisan group of my colleagues and the governors of Minnesota, South Dakota, and Iowa in supporting this bill.

By Mr. HATCH:

S. 245. A bill to reauthorize the Federal programs to prevent violence against women, and for other purposes; to the Committee on the Judiciary.

VIOLENCE AGAINST WOMEN ACT OF 1999

Mr. HATCH. Mr. President, I rise today to introduce a bill titled ''Violence Against Women Act of 1999.'' I expect that this will be one of several

bills introduced this week in both the Senate and the House of Representatives, reflecting an array of ideas and views on the reauthorization of existing programs and the creation of new ones.

Let me say at the outset, that one of my proudest accomplishments in this body was my work with Senator JOE BIDEN earlier this decade culminating in the passage of the Violence Against Women Act in 1994. I have great hopes that Senator BIDEN and I can duplicate that strong bipartisan effort in the 106th Congress.

Five years after the passage of VAWA I, I think it is fair to say that this Act has significantly enhanced the efforts of law enforcement in combating violence against women and improved the services available to victims of domestic violence in my home state of Utah and across the nation.

But five years later, it is time to advance the process in three major respects: (1) it is time to review and evaluate the effectiveness of programs created by the 1994 Act and to reexamine the adequacy of the funding levels for these programs; (2) it is time to review law enforcement's efforts and successes as a result of the 1994 Act; and (3) it is time to survey and consider the need for new programs and further changes in the law.

Thus, while I am today introducing a bill that reauthorizes the majority of current programs, many at increased funding levels, I think that these programs need first to be evaluated as to whether available funds are being used in the most effective way possible. Further, I know that Senator BIDEN has a number of ideas for new programs and changes in the law, and I look forward to working with him on some of those ideas.

Finally, let me just note that my bill also contains some new proposals regarding campus violence, battered immigrant women, and the victims of domestic violence on military bases around the country. Like many Americans, I watched with some horror on Sunday night as ''60 Minutes'' detailed the degree of domestic violence on and around our military bases and the apparent lack of serious responsiveness by persons in charge. This situation, if accurately portrayed, is not acceptable, and this Administration needs to act swiftly and effectively to change what is reportedly happening. To that end, my bill includes a provision requiring a prompt review and report by the Secretary of Defense on the incidence of and response to domestic violence on our military bases.

In sum, Mr. President, I hope that enacting effective legislation to combat violence against women will be a priority in the 106th Congress. I intend to do my best, working in a bipartisan fashion, to ensure that it is.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. MCCAIN, Mr. DEWINE, Mr. KOHL, and Mr. LOTT):

S. 247. A bill to amend title 17, United States Code, to reform the copyright law with respect to satellite retransmissions of broadcast signals, and for other purposes; to the Committee on the Judiciary.

THE SATELLITE HOME VIEWER IMPROVEMENTS ACT OF 1999

Mr. HATCH. Mr. President, I rise today to introduce legislation that will help provide for greater consumer choice and competition in television services, the ''Satellite Home Viewer Improvements Act of 1999.'' Joining me in introducing this bill are the Majority Leader, Senator LOTT, the distinguished Ranking Member of the Judiciary Committee, Senator LEAHY, the distinguished chairman of the Commerce Committee, Senator MCCAIN, and my colleagues on the Judiciary Committee, Senators DEWINE and KOHL.

The options consumers have for viewing television entertainment have vastly increased since that fateful day in September 1927 when television inventor and Utah native Philo T. Farnsworth, together with his wife and colleagues, viewed the first television transmission in the Farnsworth's home workshop: a single black line rotated from vertical to horizontal. Both the forms of entertainment and the technologies for delivering that entertainment have proliferated over the 70 years since that day. In the 1940's and 1950's, televisions began arriving in an increasing number of homes to pick up entertainment being broadcast into a growing number of cities and towns.

In the late 1960's and early 1970's, cable television began offering communities more television choices by initially providing community antenna systems for receiving broadcast television signals, and later by offering new created-for-cable entertainment. The development of cable television made dramatic strides with the enactment of the cable compulsory license in 1976, providing an efficient way of clearing copyright rights for the retransmission of broadcast signals over cable systems.

In the 1980's, television viewers began to be able to receive television entertainment with their own home satellite equipment, and the enactment of the Satellite Home Viewer Act in 1988 helped develop a system of providing options for television service to Americans who lived in areas too remote to receive television signals over the air or via cable.

Much has changed since the original Satellite Home Viewer Act was adopted in 1988. The Satellite Home Viewer Act was originally intended to ensure that households that could not get television in any other way, traditionally provided through broadcast or cable, would be able to get television signals via satellite. The market and satellite industry has changed substantially since 1988. Many of the difficulties and controversies associated with the satellite license have been at least partly a product of the satellite business attempting to move from a predominately need-based rural niche service to a full service video delivery competitor in all markets, urban and rural.

Now, many market advocates both in and out of Congress are looking to satellite carriers to compete directly with cable companies for viewership, because we believe that an increasingly competitive market is better for consumers both in terms of cost and the diversity of programming available. The bill I introduce today will move us toward that kind of robust competition.

In short, this bill is focused on changes that we can make this year to move the satellite television industry to the next level, making it a full competitor in the multi-channel video delivery market. It has been said time and again that a major, and perhaps the biggest, impediment to satellite's ability to be a strong competitor to cable is its current inability to provide local broadcast signals. (See, e.g., Business Week (22 Dec. 1997) p. 84.) This problem has been partly technological and partly legal.

Even as we speak, the technological hurdles to local retransmission of broadcast signals are being lowered substantially. Emerging technology is now enabling the satellite industry to begin to offer television viewers their own local programming of news, weather, sports, and entertainment, with digital quality picture and sound. This will mean that viewers in the remoter areas of my large home state of Utah will be able to watch television programming originating in Salt Lake City, rather than New York or California. Utahns in remote areas will have access to local weather and other locally and regionally relevant information. In fact, one satellite carrier is already providing such a service in Utah.

Today, with this bill, we hope to begin removing the legal impediments to use of this emerging technology to make local retransmission of broadcast signals a reality for all subscribers. The most important result will be that the constituents of all my colleagues will finally have a choice for full service multi-channel video programming. They will be able to choose cable or one of a number of satellite carriers. This should foster an environment of proliferating choice and lowered prices, all to the benefit of consumers, our constituents.

To that end, the ''Satellite Home Viewer Improvements Act'' makes the

following changes in the copyright governing satellite television transmissions:

It creates a new copyright license which allows satellite carriers to retransmit a local television station to households and businesses throughout that station's local market, just like cable does, and sets a zero copyright rate for providing this service.

It extends the satellite compulsory licenses for both local and distant signals, which are now set to expire at the end of the year, until 2004.

It cuts the copyright rates paid for distant signals by 30 or 45 percent, depending on the type of signal.

It allows consumers to switch from cable to satellite service for network signals without waiting a 90-day period now required in the law.

It allows for a national Public Broadcasting Service satellite feed.

Many of my colleagues in this chamber will recognize this legislation as substantively identical to a bill reported unanimously by the Judiciary Committee last year. I am pleased with the degree of cooperation and consensus we were able to forge with respect to this legislation last year, and I hope that we can pick up where we left off to bring this bill before the Senate for swift consideration and approval.

As I indicated late in the last Congress, the bill I am introducing is intended to be a piece of a larger joint work product to be crafted in conjunction with our colleagues on the Commerce Committee. Once again in the 106th Congress, it is our intention that the Judiciary Committee will move forward with consideration of the copyright legislation I am introducing today, which, as I indicated, is cosponsored by the Chairman of the Commerce Committee. The Commerce Committee will proceed simultaneously to consider separate legislation to be introduced by Chairman MCCAIN to address related communications amendments regarding such important areas as the must-carry and retransmission consent requirements for satellite carriers upon which the copyright licenses will be conditioned, and the FCC's distant signal eligibility process. It is our joint intention to combine our respective work product as two titles of the same bill in a way that will clearly delineate the work product of each committee, but combine them into the seamless whole necessary to make the licenses work for consumers and the affected industries.

We need to act quickly on this legislation. The Satellite Home Viewer Act sunsets at the end of this year, placing at risk the service of many of the 11 million satellite subscribers nationwide. Many of our constituents are confused about the status of satellite service because of a court order requiring the cessation of distant-signal satellite service in February and April to as many as 2.5 million subscribers nationally who have been adjudged ineligible for distant signal service under current law. The granting of the local license, together with some resolution of the eligibility rules for distant signals and a more consumer-friendly process can help bring clarity to these consumers.

Let me again thank the Majority Leader for his interest in and leadership with respect to these issues, and the Chairman of the Commerce Committee for his collegiality and cooperation in this process. I also want to thank my colleagues on the Judiciary Committee who have worked on this legislation. This bill is a product of a bipartisan effort with Senators LEAHY, DEWINE, and KOHL. I look forward to continued collaboration with them and with our other colleagues to help hasten more vigorous competition in the television delivery market and the ever-widening consumer choice that will follow it.

I ask unanimous consent that an explanatory section-by-section analysis of the bill be printed in the RECORD.

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

SECTION-BY-SECTION DESCRIPTION OF S. 247

SECTION 1. SHORT TITLE.

The title of the bill is the ''Satellite Home Viewer Improvements Act''.

SEC. 2. LIMITATIONS ON EXCLUSIVE RIGHTS; SECONDARY TRANSMISSIONS BY SATELLITE CARRIERS WITHIN LOCAL MARKETS.

Section 2 of the bill creates a new copyright compulsory license, found at section 122 of title 17 of the United States Code, for the retransmission of television broadcast stations by satellite carriers to subscribers located within the local markets of those stations. In order to be eligible for this compulsory license, a satellite carrier must be in full compliance with all applicable rules and regulations of the Federal Communications Commission, including any must-carry obligations imposed upon the satellite carrier by the Commission or by law.

Because the copyrighted programming contained on local broadcast programming is already licensed with the expectation that all viewers in the local market will be able to view the programming, the new section 122 license is a royalty-free license. Satellite carriers must, however, provide local broadcasters with lists of their subscribers receiving local stations so that broadcasters may verify that satellite carriers are making proper use of the license. The subscriber information supplied to broadcasters is for verification purposes only, and may not be used by broadcasters for other reasons.

Satellite carriers are liable for copyright infringement, and subject to the full remedies of the Copyright Act, if they violate one or more of the following requirements of the section 122 license. First, satellite carriers may not in any way willfully alter the programming contained on a local broadcast station.

Second, satellite carriers may not use the section 122 license to retransmit a television station to a subscriber located outside the local market of the station. If a carrier willfully or repeatedly violates this limitation on a nationwide basis, then the carrier may be enjoined from retransmitting that signal. If the broadcast station involved is a network station, then the carrier could lose the right to retransmit any network stations affiliated with that same network. If the willful or repeated violation of the restriction is performed on a local or regional basis, then the right to retransmit the station (or, if a network station, then all other stations affiliated with that network) can be enjoined on a local or regional basis, depending upon the circumstances. In addition to termination of service on a nationwide or local or regional basis, statutory damages are available up to $250,000 for each 6-month period during which the pattern or practice of violations was carried out. Satellite carriers have the burden of proving that they are not improperly making use of the section 122 license to serve subscribers outside the local markets of the television broadcast stations they are providing.

The section 122 license is not limited to private home viewing, as is the section 119 compulsory license, so that satellite carriers may make use of it to serve commercial establishments as well as homes. The local market of a television broadcast station for purposes of the section 122 license will be defined by the Federal Communications Commission as part of its broadcast carriage rules for satellite carriers.

SEC. 3. EXTENSION OF EFFECT OF AMENDMENTS TO SECTION 119 OF TITLE 17, UNITED STATES CODE.

Section 3 of the bill extends the expiration date of the current section 119 satellite compulsory license from December 31, 1999 to December 31, 2004.

SEC. 4. COMPUTATION OF ROYALTY FEES FOR SATELLITE CARRIERS.

Section 4 of the bill reduces the 27 cent royalty fee adopted last year by the Librarian of Congress for the retransmission of network and superstation signals by satellite carriers under the section 119 license. The 27 cent rate for superstations is reduced by 30 percent per subscriber per month, and the 27 cent rate for network stations is reduced by 45 percent per subscriber per month.

In addition, section 119(c) of title 17 is amended to clarify that in royalty distribution proceedings conducted under section 802 of the Copyright Act, the Public Broadcasting Service may act as agent for all public television copyright claimants and all Public Broadcasting Service member stations.

SEC. 5. DEFINITIONS.

Section 5 of the bill adds two new definitions to the current section 119 satellite license. The ''unserved household'' definition is modified to eliminate the 90 day waiting period for satellite subscribers to wait after termination of their cable service until they are eligible for satellite service of network signals. A new definition of a ''local network station'' is added to clarify that the section 119 license is limited to the retransmission of distant television stations, and not local stations.

SEC. 6. PUBLIC BROADCASTING SERVICES SATELLITE FEED.

Section 6 of the bill extends the section 119 license to cover the copyrighted programming carried upon the Public Broadcasting's national satellite feed. The national satellite feed is treated as a superstation for compulsory license purposes. Also, the bill requires that PBS must certify to the Copyright Office on an annual basis that the PBS membership continues to support retransmission

of the national satellite feed under the section 119 license.

SEC. 7. APPLICATION OF FEDERAL COMMUNICATIONS COMMISSION REGULATIONS.

Section 7 of the bill amends the current section 119 license to make it contingent upon full compliance with all rules and regulations of the FCC. This provision mirrors the requirement imposed upon cable operators under the cable compulsory license.

SEC. 8. EFFECTIVE DATE.

The amendments made by this bill become effective on January 1, 1999, with the exception of section 4 which becomes effective on July 1, 1999.

Mr. LEAHY. Mr. President, on this first legislative day of the new session, I am joining Chairman HATCH of the Judiciary Committee to introduce a bill to help protect satellite TV viewers. I know it also has the support of subcommittee Chairman, Senator DEWINE, and its ranking member, Senator KOHL. I appreciate the fact that Republicans and Democrats are working together on this issue. I also want to thank the Majority Leader, Senator LOTT, for his assistance on this issue as well as the Chairman of the Commerce Committee, Senator MCCAIN and their ranking member, Senator HOLLINGS. I look forward to working with all Senators on this matter.

I have received hundreds of calls from Vermonters last year whose satellite TV service was about to be terminated. I am still hearing from Vermonters from all over the state. They are steaming mad and so am I.

This is an outrageous situation—the law must be changed and the Federal Communications Commission has to do its job.

I have worked to change the law over the last two years to try to avoid the situation we now face. I have also insisted that the FCC change its unrealistic rules that will result in needless terminations of service to Vermont families.

Unfortunately, we are on a collision course because of two Court orders affecting CBS and Fox signals offered to home dish owners, an inability to pass needed legislation last year, and the unwillingness of the FCC to step in and alleviate this situation.

Before I go into the details I want to point out that this bipartisan bill represents very good public policy. It will increase competition among TV providers, give consumers more choices, preserve the local affiliate TV system, act to lower cable and satellite rates, and will eventually offer local news, weather and programming over satellite TV instead of programming from distant stations. Over the next couple years, this initiative can solve the problem of losing satellite service by allowing satellites to offer a full array of local TV stations.

It will lead to lower rates for consumers because the bill creates head-to-head competition between cable and satellite TV providers. The bill will allow households who want to subscribe to this new satellite TV service, called ''local-into-local''—to receive all local Vermont TV stations over the satellite.

The goal is to offer Vermonters with more choices, more TV selections, but at lower rates. In areas of the country where there is this full competition with cable providers, rates to customers are considerably lower.

Thus, over time this initiative will permit satellite TV providers to offer a full selection of all local TV channels to viewers throughout most of Vermont, as well as the typical complement of superstations, weather and sports channels, PBS, movies and a variety of other channels. This means that local Vermont TV stations will be available over satellite dishes to many areas of Vermont currently not served by satellite or by cable.

Under current law, it is illegal for satellite TV providers to offer distant TV channels over satellite when you live in an area where you are normally likely to get a clear local TV signal with a regular rooftop antenna.

In addition, under current law many families must get their local TV signals over an antenna which often does not provide a clear picture. This bill will remove that legal limitation and allow satellite carriers to offer local TV signals to viewers no matter where they live in Vermont.

To take advantage of this, satellite carriers over time will have to follow the rules that cable providers have to follow. This will mean that they must carry all local Vermont TV stations and not carry distant network stations that compete with local stations.

Presently Vermonters receive network satellite signals with programming from stations in other states—in other words receive a CBS station from another state but not WCAX, the Burlington CBS affiliate.

By allowing satellite providers to offer a larger variety of programming, including local stations, the satellite industry would be able to compete with cable, and the cable industry will be competing with satellite carriers.

All the members of the Judiciary Committee have worked on this matter and I appreciate their efforts. On November 12, of 1997, Chairman HATCH and I held a full Committee hearing on satellite issues to try to avoid needless cutoffs of satellite TV service while, at the same time, working to protect the network affiliate TV broadcast system.

Soon after, on March 5, 1998, we introduced the Hatch-Leahy satellite bill (S. 1720) to address these concerns. This bill was amended in Committee with a Hatch-Leahy substitute and was reported out of the Judiciary Committee unanimously on October 1, 1998.

In the meantime, in July 1998, a federal district court judge in Florida found that PrimeTime 24 was offering distant CBS and Fox television signals to more than a million households in the U.S. in a manner inconsistent with its compulsory license that permits such satellite service only to households who do not get at least ''grade B intensity'' service. Under a preliminary injunction, satellite service to thousands of households in Vermont and other states was to be terminated on October 8, 1998, for CBS and Fox distant network signals for households signed up after March 11, 1997, the date the action was filed.

To avoid immediate cutoffs of satellite TV service in Vermont and other states, the parties requested an extension of the October 8, 1998, termination date which was granted until February 28, 1999. This extension was also designed to give the FCC time to address these problems faced by satellite home dish owners.

The FCC solicited comments on whether the current definition of grade B intensity was adequate.

I was very concerned about the FCC proposal in this matter and filed a comment asking the FCC to come up with a realistic and workable system to protect satellite dish owners. I criticized the FCC rule in that it would cut off households from receiving distant signals based on ''unwarranted assumptions'' in a manner inconsistent with the law and the clear intent of the Congress. I complained about entire towns in Vermont which were to be inappropriately cut off and insisted that FCC issue a final rule that permits ''a smooth transition to 'local-into-local' satellite TV service.''

I said in my comment to their proposal that: ''The Commission's proposal raises a number of complex issues, yet the guiding principle that the FCC should follow is simple: No customer's 'distant' satellite TV signals should be cut off if the customer is unable to receive local TV broadcasts over-the-air.''

I also pointed out that: ''The clear purpose of the law was, and is, to protect those living in more rural areas so that they can receive TV signals using satellite dishes when they are unable to receive a strong signal using an antenna. Your final rule should reflect that purpose. I have heard from constituents in two Vermont towns where I am told that almost no one can receive a clear TV signal, yet all families with satellite dishes were being targeted for termination of their satellite TV channels.''

I also noted in my comment: ''A second area that concerns me relates to who should bear the cost of any testing that is done. I have heard from Vermonters who are justifiably furious that they are being asked to pay for these costs. The burden of proof and the burden of any additional expenses should not be assessed upon the families owning the satellite dishes.''

''While the hills and mountains of Vermont are a natural wonder, they are barriers to receiving clear TV signals over-the-air with roof top antennas. For example, at my home in Middlesex, Vermont, we can only get one channel clearly and the other channel with lots of ghosts.''

In yet another development, the Florida district court filed a final order which will also require that households signed up for satellite service before March 11, 1997, be subject to termination of CBS and Fox distant signals on April 30, 1999, if they live in areas where they are likely to receive a grade B intensity signal, as defined by the Court and FCC rules, and are unable to get the local CBS or Fox affiliate to consent to receipt of the distant signal. My understanding is that each subscriber that is to lose service must receive notice 45 days in advance.

I want to make clear, as I did in my comment to the FCC, that I strongly believe in the local affiliate television system. Local broadcast stations provide the public with local news, local weather, local informational programming, local emergency advisories, candidate forums, local public affairs programming, and high quality programs. Local broadcast stations contribute to our sense of community.

I strongly believe that when the full local-into-local satellite system is in place, this system will enhance the local affiliate television system.

I, thus, urge my colleagues to cosponsor this effort.

By Mr. HATCH (for himself, Mr. ASHCROFT, Mr. THURMOND, Mr. SESSIONS, and Mr. KYL):

S. 248. A bill to modify the procedures of the Federal courts in certain matters, to reform prisoner litigation, and for other purposes; to the Committee on the Judiciary.

THE JUDICIAL IMPROVEMENT ACT OF 1999

Mr. HATCH. Mr. President, I rise today to introduce, along with Senators ASHCROFT, THURMOND, KYL, and SESSIONS, the ''Judicial Improvement Act of 1999.'' This legislation is designed to preserve the democratic process by strengthening the constitutional division of powers between the Federal Government and the States and between Congress and the Courts. I introduced this legislation last session, but, to my regret, the Senate did not have an opportunity to act upon it. I am reintroducing it because the same ills that were plaguing our judicial system continue to exist, and I believe this legislation can remedy these ills. I have every expectation that this legislation will be acted upon and favorably passed this session.

I have always given credit where credit is due. So let me state that on the whole, our federal judges respect their constitutional roles and the Senate is aware of these judges' dedication to administering their oaths of office. Yet, unfortunately, this dedication is not universal and a degree of overreaching by some judges dictates that Congress move to more clearly delineate the proper role of federal judges. In our constitutional system, judges can not conveniently forget or blatantly ignore that the Constitution has exclusively reserved to Congress the power to legislate and limited their power to the interpretation of the law.

This careful, but deliberate, separation of legislative and judicial functions is a cornerstone of our constitutional system. Regardless of the temptation to embrace a certain judge's decision that some may find socially or politically expedient, we must remember that no interest is more compelling than preserving our Constitution.

Now, attempts by certain federal judges to infringe upon Congress's legislative authority deeply concern me. I have taken the floor in this chamber on numerous occasions to recite some of the more troubling examples of judicial overreaching. I will not revisit them today. Suffice it to say that activism, and by that I mean a judge who ignores the written text of the law, whether from the right or the left, threatens our constitutional structure.

As an elected official, my votes for legislation are subject to voter approval. Federal judges, however, are unelected, hence they are, as a practical matter, unaccountable to the public. While tenure during good behavior, which amounts to life tenure, is important in that it frees judges to make unpopular but constitutionally sound decisions, it can become a threat to liberty when placed in the wrong hands. And substituting the will of life-tenured federal judges for the democratically elected representatives is not what our Constitution's framers had in mind.

In an effort to avoid this long-contemplated problem, the proposed reform legislation we are introducing today will assist in ensuring that all three branches of the Federal Government work together in a fashion contemplated by, and consistent with, the Constitution. In addition, this legislation will ensure that federal judges are more respectful of the States and their respective sovereignty.

I want to be clear in stating that this bill does not, as some may claim, challenge the independence of federal judges. However, there are currently some activist federal judges improperly expanding their roles in an effort to substitute their own ideas and interests for the will of the people. Judges, however, are simply not entitled to deviate from their roles as interpreters of the law in order to create new law from the bench. If they believe otherwise, they are derelict in their duties and should leave the federal bench to run for public office—at least then they would be accountable for their actions. It is time that we pass legislation that precludes any federal judge from blurring the lines separating the legislative and judicial functions.

It is important to note that the effort to reign in judicial activism should not be limited simply to opposing potential activist nominees. While the careful scrutiny of judicial nominees is one important step in the confirmation process, a step reserved to the Senate alone, Congress itself has an obligation to the public to ensure that judges fulfill their constitutionally prescribed roles and do not encroach upon those powers delegated to the legislature. Hence, the Congress performs an important role in bringing activist decisions to light and, where appropriate, publicly criticizing those decisions. Some view this as an assault upon judicial independence. That is untrue. It is merely a means of engaging in debate about a decision's merits or the process by which the decision was reached. Such criticism is a healthy part of our democratic system. While life tenure insulates judges from the political process, it should not, and must not, isolate them from the people.

In addition, the Constitution grants Congress the authority, with a few notable limitations, to set federal courts' jurisdiction. This is an important tool that, while seldom used, sets forth the circumstances in which the judicial power may be exercised. A good example of this is the 104th Congress' effort to reform the statutory writ of habeas corpus in an attempt to curb the seemingly endless series of petitions filed by convicted criminals bent on thwarting the demands of justice. Legislation of this nature is an important means of curbing activism.

In an effort to accomplish these goals, I have chosen to re-introduce, along with my colleagues, the Judicial Improvement Act. It is a small, albeit meaningful, step in the right direction. Notably, this legislation will change the way federal courts review constitutional challenges to state and federal laws. The existing process allows a single federal judge to hear and grant applications regarding the constitutionality of state and federal laws as well as state ballot initiatives. In other words, a single federal judge can impede the will of a majority of the voters merely by issuing an order halting the implementation of a state referendum.

This proposed reform will accomplish the twin goals of fighting judicial activism and preserving the democratic process. In essence, this bill modestly proposes to respond to the problem of judicial activism in part by: (1) Requiring a three judge district court panel to hear appeals and grant interlocutory or permanent injunctions based on the constitutionality of a state law or referendum; (2) placing time limitations

on remedial authority in any civil action in which prospective relief or a consent judgment binds State or local officials; (3) prohibiting a federal court from having the authority to order state or local governments to increase taxes as part of a judicial remedy; (4) preventing a federal court from prohibiting state or local officials from re-prosecuting a defendant; and (5) preventing a federal court from ordering the release of violent offenders under unwarranted circumstances.

As I said last session and still believe to be true, this reform bill is a long overdue effort to minimize the potential for judicial activism in the federal court system. Americans are understandably frustrated when they exercise their right to vote and the will of their elected representatives is frustrated by judges who enjoy life tenure. It is no wonder that millions of Americans do not think their vote matters when they enact a referendum only to have it enjoined by a single district court judge. By improving the way federal courts analyze constitutional challenges to laws and initiatives, Congress will protect the rights of parties to challenge unconstitutional laws while at the same time reduce the ability of activist judges to abuse their power and circumvent the will of the people.

I want to take a few moments to again describe how this legislation will curb the ability of federal judges to engage in judicial activism. The first reform would require a three judge panel to hear and issue interlocutory and permanent injunctions regarding challenged laws at the district court level. The current system allows a single federal judge to restrain the enforcement, operation and execution of challenged federal or state laws, including initiatives. There have been many instances where an activist judge has used this power to overturn a ballot initiative only to have his or her order overturned by a higher court years later.

One need only remember how Proposition 209, a ballot initiative passed by the voters which prohibited affirmative action in California, was held in abeyance after a district court judge issued an injunction barring its enforcement to understand how the three judge panel provision may in fact play a role in ensuring that the will of the people is not wrongfully thwarted. The injunction was subsequently overturned by the Ninth Circuit Court of Appeals which ruled that the law was constitutional. A three judge panel perhaps may have ruled correctly initially, allowing the democratic process to work properly while also saving taxpayer dollars.

Obviously, I have no problem with a court declaring a law unconstitutional when it violates the written text of the Constitution. It is, however, inappropriate when a judge attempts to act like a legislator and imposes his own policy preference on the citizens of a state. Such an action weakens respect for the federal judiciary, creates cynicism in the voting public, and costs governments millions of dollars in legal fees. By requiring a ruling by a three judge panel to overturn the validity of a State law, the proposed law would eliminate the ability of one activist judge to unilaterally bar enforcement of a law or ballot initiative through an interlocutory or permanent injunction.

In addition, new time limits on injunctive relief would be imposed. A temporary restraining order would remain in force no more than 10 days, and an interlocutory injunction no more than 60 days. After the expiration of an interlocutory injunction, federal courts would lack the authority to grant any additional interlocutory relief but would still have the power to issue a permanent injunction. These limitations are designed to prevent the federal judiciary from indefinitely barring implementation of challenged laws by issuing endless injunctions, and facilitate the appeals process by motivating courts to speedily handle constitutional challenges. What this reform essentially does is encourage the federal judiciary to rule on the merits of a case, and not use injunctions to keep a challenged law from going into effect or being heard by an appeals court through the use of delaying tactics.

The bill also proposes to require that a notice of appeal must be filed not more than fourteen days after the date of an order granting an interlocutory injunction and the appeals court would lack jurisdiction over an untimely appeal of such an order. The court of appeals would apply a de novo standard of review before reconsidering the merits of granting relief, but not less than 100 days after the issuance of the original order granting interlocutory relief. If the interlocutory order is upheld on appeal, the order would remain in force no longer than 60 days after the date of the appellate decision or until replaced by a permanent injunction.

The bill also proposes limitations on the remedial authority of federal courts. In any civil action where prospective relief or a consent judgment binds state and local officials, relief would be terminated upon the motion of any party or intervener: (a) Five years after the date the court granted or approved the prospective relief; (b) two years after the date the court has entered an order denying termination of prospective relief; or (c) in the case of an order issued on or before the date of enactment of this act, two years after the date of enactment.

Parties could agree to terminate or modify an injunction before relief is available if it otherwise would be legally permissible. Courts would promptly rule on motions to modify or terminate this relief and in the event that a motion is not ruled on within 60 days, the order or consent judgment binding state and local officials would automatically terminate.

However, prospective relief would not terminate if the federal court makes written findings based on the record that relief remains necessary to correct an ongoing violation of a federal right, extends no further than necessary to correct the violation and is the least intrusive means available to correct the violation of a federal right.

Moreover, this measure would also prohibit a federal court from having the authority to order a unit of state or local government to increase taxes as part of a judicial remedy. When an unelected federal judge has the power to order tax increases, this results in taxation without representation. Americans have fought against unfair taxation since the Revolutionary War, and this bill would prevent unfair judicial taxation and leave the power to tax to elected representatives of the people.

The bill would not limit the authority of a federal court to order a remedy which may lead a unit of local or state government to decide to increase taxes. A federal court would still have the power to issue a money judgment against a State because the court would not be attempting to restructure local government entities or mandating a particular method or structure of State or local financing. This bill also doesn't limit the remedial authority of State courts in any case, including cases raising issues of federal law. All the bill does is prevent federal courts from having the power to order elected representatives to raise taxes. This is moderate reform which prevents judicial activism and unfair taxation while preserving the federal courts power to order remedial measures.

Another important provision of the bill would prevent a federal court from prohibiting State or local officials from re-prosecuting a defendant. This legislation is designed to clarify that federal habeas courts lack the authority to bar retrial as a remedy.

This part of the legislation was cosponsored by Congressman PITTS and Senator SPECTER in response to a highly-publicized murder case in the Congressman's district. Sixteen year old Laurie Show was harrassed, stalked and assaulted for six months by the defendant, who had a vendetta against Show for briefly dating the defendant's boyfriend. After luring Show's mother from their residence, the defendant and an accomplice forcefully entered the Show home, held the victim down, and slit her throat with a butcher knife, killing her. After the defendant was convicted in state court, she filed a habeas petition in which she alleged prosecutorial misconduct and averred her

actual innocence. A federal district court judge not only accepted this argument and released the defendant, but he also took the extraordinary step of barring state and local officials from reprosecuting the woman. This judge even went so far as to state that the defendant was the ''first and foremost victim of this affair.''

Congress has long supported the ability of a federal court to fashion creative remedies to preserve constitutional protections, but the additional step of barring state or local officials from reprosecution is without precedent and an unacceptable intrusion on the rights of States. This bill, if enacted, will prevent this type of judicial activism from ever occurring again.

This bill also contains provisions for the termination of prospective relief when it is no longer warranted to cure a violation of a federal right. Once a violation that was the subject of a consent decree has been corrected, a consent decree must be terminated unless the court finds that an ongoing violation of a federal right exists, the specific relief is necessary to correct the violation of a Federal right, and no other relief will correct the violation of the Federal right. The party opposing the termination of relief has the burden of demonstrating why the relief should not be terminated, and the court is required to grant the motion to terminate if the opposing party fails to meet its burden. These provisions prevent consent decrees from remaining in effect once a proper remedy has been implemented, thereby preventing judges from imposing consent decrees that go beyond the requirements of law.

The proposed reform law also includes provisions designed to dissuade prisoners from filing frivolous and malicious motions by requiring that the complainant prisoner pay for the costs of the filings. These provisions will undoubtedly curb the number of frivolous motions filed by prisoners and thus, relieve the courts of the obligation to hear these vacuous motions designed to mock and frustrate the judicial system.

Finally, the bill proposes to prevent federal judges from entering or carrying out any prisoner release order that would result in the release from or nonadmission to a prison on the basis of prison conditions. This provision effectively will preclude activist judges from circumventing mandatory minimum sentencing laws by stripping federal judges of jurisdiction to enter such orders. This will ensure that the tough sentencing laws approved by voters to keep murderers, rapists, and drug dealers behind bars for lengthy terms will not be ignored by activist judges who improperly use complaints of prison conditions filed by convicts as a vehicle to release violent offenders back on to our streets. It will also prevent any federal judge from ever endangering families and children in our communities by preventing these judges from releasing prisoners based on prison conditions.

Congress repeatedly has tried to ensure that convicted prisoners stay where they belong: in prison for the term to which they were sentenced. This effort has been ongoing for over 10 years. Consider the following examples: (1) In 1987, Congress passed the Sentencing Guidelines which effectively limited the probation of prisoners; (2) the 1994 Crime Bill contained incentives for States to pass Truth in Sentencing Laws which kept convicted prisoners incarcerated for longer periods; and (3) the Prisoner Litigation Reform Act of 1996 allowed for the revocation of good time credit if prisoners filed malicious, repetitive and frivolous law suits while in prison. The reform bill being introduced today will further Congress' ongoing efforts to provide safer streets for all Americans by ensuring that convicted prisoners who pose a danger to our communities are not released prior to the expiration of their mandated sentences.

This timely legislation is a measured effort to improve the way the federal judiciary works. It is not an attempt to infringe upon judicial independence. To the contrary, this reform bill is a sensible, balanced attempt to promote judicial efficiency and to prevent egregious judicial activism. I encourage all of my colleagues to act swiftly on and support this truly needed legislation.

By Mr. HATCH (for himself and Mr. DEWINE):

S. 249. A bill to provide funding for the National Center for Missing and Exploited Children, to reauthorize the Runaway and Homeless Youth Act, and for other purposes; to the Committee on the Judiciary.

THE MISSING, EXPLOITED, AND RUNAWAY CHILDREN PROTECTION ACT

Mr. HATCH, Mr. President, today I am proud to introduce the Missing, Exploited, and Runaway Children Protection Act of 1999. This bill reauthorizes two vital laws that serve a crucial line of defense in support of some of the most vulnerable members of our society—thousands of missing, exploited, homeless, or runaway children. It is a tragedy in our Nation that each year there are as many as over 114,000 attempted child abductions, 4,500 child abductions reported to the police, 450,000 children who run away, and 438,000 children who are lost, injured, or missing. I am told that this is a growing problem even in my State of Utah.

Families who have written to me have shared the pain of a lost or missing child. While missing, lost, on the run, or abducted, each of these children is at high risk of falling into the darkness of drug abuse, sexual abuse and exploitation, pain, hunger, and injury. Each of these children is precious, and deserves our efforts to save them. The bill I am introducing today is a step in that direction.

My bill reauthorizes and improves the Missing Children's Assistance Act and the Runaway and Homeless Youth Act. First,this bill revises the Missing Children's Assistance Act in part by recognizing the outstanding record of achievements of this National Center for Missing and Exploited Children. It will enable NCMEC to provide even greater protection of our Nation's children in the future. Second, this bill reauthorizes and revitalizes the Runaway and Homeless Youth Act.

At the heart of the bill's amendments to the Missing Children's Assistance Act is an enhanced authorization of appropriations for the National Center for Missing and Exploited Children. Under the authority of the Missing children's Assistance Act, the Office of Juvenile Justice and Delinquency Prevention (OJJDP) has selected and given grants to the Center for the last fourteen years to operate a national resource center located in Arlington, Virginia and a national 24-hour toll-free telephone line. The Center provides invaluable assistance and training to law enforcement around the country in cases of missing and exploited children. The Center's record is quite impressive, and its efforts have led directly to a significant increase in the percentage of missing children who are recovered safely.

In fiscal year 1999, the Center received an earmark of $8.12 million in the Departments of Commerce, Justice, and State Appropriations conference report. In addition, the Center's Jimmy Ryce Training Center received $1.25 million.

The legislation I am introducing today continues and formalizes NCMEC's long partnership with the Justice Department and OJJDP, by directing OJJDP to make an annual grant to the Center, and authorizing annual appropriations of $10 million for fiscal years 1999 through 2004.

NCMEC's exemplary record of performance and success, as demonstrated by the fact that NCMEC's recovery rate has climbed from 62% to 91%, justifies action by Congress to formally recognize it as the nation's official missing and exploited children's center, and to authorize a line-item appropriation. This bill will enable the Center to focus completely on its missions, without expending the annual effort to obtain authority and grants from OJJDP. It also will allow the Center to expand its longer-term arrangements with domestic and foreign law enforcement entities. By providing an authorization, the bill also will allow for better congressional oversight of the Center.

The record of the Center, described briefly below, demonstrates the appropriateness of this authorization. For fourteen years the Center has served as the national resource center and clearinghouse mandated by the Missing Children's Assistance Act. The Center has worked in partnership with the Department of Justice, the Federal Bureau of Investigation, the Department of Treasury, the State Department, and many other federal and state agencies in the effort to find missing children and prevent child victimization.

The trust the federal government has placed in NCMEC, a private, non-profit corporation, is evidenced by its unique access to the FBI's National Crime Information Center, and the National Law Enforcement Telecommunications System (NLETS).

NCMEC has utilized the latest in technology, such as operating the National Child Pornography Tipline, establishing its new Internet website, www.missingkids.com, which is linked with hundreds of other websites to provide real-time images of breaking cases of missing children, and, beginning this year, establishing a new CyberTipline on child exploitation.

NCMEC has established a national and increasingly worldwide network, linking NCMEC online with each of the missing children clearinghouses operated by the 50 states, the District of Columbia and Puerto Rico. In addition, NCMEC works constantly with international law enforcement authorities such as Scotland Yard in the United Kingdom, the Royal Canadian Mounted Police, INTERPOL headquarters in Lyon, France and others. This network enables NCMEC to transmit images and information regarding missing children to law enforcement across America and around the world instantly. NCMEC also serve as the U.S. State Department's representative at child abduction cases under the Hague Convention.

The record of NCMEC is demonstrated by the 1,203,974 calls received at its 24-hour toll-free hotline, 1(800)THE LOST, the 146,284 law enforcement, criminal/juvenile justice, and healthcare professionals trained, the 15,491,344 free publications distributed, and, most importantly, by its work on 59,481 cases of missing children, which has resulted in the recovery of 40,180 children. Each of these figures represents the activity of NCMEC through spring 1998. NCMEC is a shining example of the type of public-private partnership the Congress should encourage and recognize.

The second part of the bill I am introducing today reforms and streamlines the Runaway and Homeless Youth Act, targeting federal assistance to areas with the greatest need, and making numerous technical changes. According to the National Network for Youth, the Runaway and Homeless Youth Act provides ''critical assistance to youth in high-risk situations all over the country.'' Its three programs, discussed in more detail below, benefit those children truly in need and at high risk of becoming addicted to drugs, sexually exploited or abused, or involved in criminal behavior.

The cornerstone of the Runaway and Homeless Youth Act is the Basic Center Program which provides grants for temporary shelter and counseling for children under age 18. My home state of Utah received over $378,000 in grants in FY 1998 under this program, and I have received requests from Utah organizations such as the Baker Youth Service Home to reauthorize this important program.

Community-based organizations also may request grants under the two related programs, the Transitional Living and the Sexual Abuse Prevention/Street Outreach programs. The Transitional Living grants provide longer term housing to homeless teens aged 16 to 21, and aim to move these teens to self-sufficiency and to avoid long-term dependency on public assistance. The Sexual Abuse Prevention/Street Outreach Program targets homeless teens potentially involved in high risk behaviors.

In addition, the amendment reauthorizes the Runaway and Homeless Youth Act Rural Demonstration Projects which provide assistance to rural juvenile populations, such as in my state of Utah. Finally, the amendment makes several technical corrections to fix prior drafting errors in the Runaway and Homeless Youth Act.

The provisions of this bill will strengthen our commitment to our youth. I urge my colleagues to support this legislation, which will strengthen the Missing Children's Assistance Act, the National Center for Missing and Exploited Children, and the Runaway and Homeless Youth Act, and thus improve the safety of our Nation's children.

By Mr. HATCH (for himself, Mr. DEWINE, and Mr. NICKLES):

S. 250. A bill to establish ethical standards for Federal prosecutors, and for other purposes.

FEDERAL PROSECUTOR ETHICS ACT

Mr. HATCH. Mr. President, I am pleased today to introduce an important piece of corrective legislation—the Federal Prosecutor Ethics Act. This bill will address in a responsible manner the critical issue of ethical standards for federal prosecutors, while ensuring that the public servants are permitted to perform their important function of upholding federal law.

The bill I am introducing today is a careful solution to a troubling problem—the application of state ethics rules in federal court, and particularly to federal prosecutors. In short, my bill will subject federal prosecutors to the bar rules of each state in which they are licensed unless such rules are inconsistent with federal law or the effectuation of federal policy or investigations. It also sets specific standards for federal prosecutorial conduct, to be enforced by the Attorney General. Finally, it establishes a commission of federal judges, appointed by the Chief Justice, to review and report on the interrelationship between the duties of federal prosecutors and regulation of their conduct by state bars and the disciplinary procedures utilized by the Attorney General.

No one condones prosecutorial excesses. There have been instances where law enforcement, and even some federal prosecutors, have gone overboard. Unethical conduct by any attorney is a matter for concern. But when engaged in by a federal prosecutor, unethical conduct cannot be tolerated. For as Justice Sutherland noted in 1935, the prosecutor is not just to win a case, ''but that justice shall be done. . . . It is as much his duty to refrain from improper methods calculated to produce a wrongful conviction as it is to use every legitimate means to bring about a just one.''

We must, however, ensure that the rules we adopt to ensure proper prosecutorial conduct are measured and well-tailored to that purpose. As my colleagues may recall, last year's omnibus appropriations act included a very controversial provision known to most of my colleagues simply as the ''McDade provision,'' after its House sponsor, former Representative Joe McDade.

This well-intentioned but ill-advised provision was adopted to set ethical standards for federal prosecutors and other attorneys for the government. In my view, it was not the measured and well-tailored law needed to address the legitimate concerns its sponsors sought to redress. Nor was I alone in this view. So great was the concern over its impact, in fact, that its effective date was delayed until six months after enactment. That deadline is approaching. In my view, if allowed to take effect in its present form, the McDade provision would cripple the ability of the Department of Justice to enforce federal law and cede authority to regulate the conduct of federal criminal investigations and prosecutions to more than 50 state bar associations.

As enacted last fall, the McDade provision adds a new section 530B to title 28 of the U.S. Code. In its most relevant part, it states that an ''attorney for the government shall be subject to State laws and rules . . . governing attorneys in each state where such attorney engages in that attorney's duties, to the same extent and in the same manner as other attorneys in that state.''

There are important practical considerations which persuasively counsel

against allowing 28 U.S.C. 530B to take effect unchanged. I have been a frequent critic of the trend toward the over-federalization of crime. Yet the federal government has a most legitimate role in the investigation and prosecution of complex multistate terrorism, drug, fraud or organized crime conspiracies, in rooting out and punishing fraud against federally funded programs such as Medicare, Medicaid, and Social Security, in vindicating the federal civil rights laws, in investigating and prosecuting complex corporate crime, and in punishing environmental crime.

It is in these very cases that Section 530B will have its most pernicious effect. Federal attorneys investigating and prosecuting these cases, which frequently encompass three, four, or five states, will be subject to the differing state and local rules of each of those states, plus the District of Columbia, if they are based here. Their decisions will be subject to review by the bar and ethics review boards in each of these states at the whim of defense counsel, even if the federal attorney is not licensed in that state.

Practices concerning contact with unrepresented persons or the conduct of matters before a grand jury, perfectly legal and acceptable in federal court, will be subject to state bar rules. For instance, in many states, federal attorneys will not be permitted to speak with represented witnesses, especially witnesses to corporate misconduct, and the use of undercover investigations will at a minimum be hindered. In other states, section 530B might require—contrary to long-established federal grand jury practice—that prosecutors present exculpatory evidence to the grand jury. Moreover, these rules won't have to be in effect in the district where the subject is being investigated, or where the grand jury is sitting to have these effects. No, these rules only have to be in effect somewhere the investigation leads, or the federal attorney works, to handcuff federal law enforcement.

In short, Section 530B will affect every attorney in every department and agency of the federal government. It will affect enforcement of our antitrust laws, our environmental laws prohibiting the dumping of hazardous waste, our labor laws, our civil rights laws, and as I said before, the integrity of every federal funding program.

Section 530B is also an open invitation to clever defense attorneys to stymie federal criminal or civil investigations by raising bogus defenses or bringing frivolous state bar claims. Indeed, this is happening even without Section 530B as the law of the land. The most recent example is the use of a State rule against testimony buying to brand as ''unethical'' the long accepted, and essential, federal practice of moving for sentence reductions for co-conspirators who cooperate with prosecutors by testifying truthfully for the government. How much worse will it be when this provision declares it open season on federal lawyers?

What will the costs of this provision be? At a minimum, the inevitable result will be that violations of federal laws will not be punished, and justice will not be done. But there will be financial costs to the federal government as well, as a result of defending these frivolous challenges and from higher costs associated with investigating and prosecuting violations of federal law.

All of this, however, is not to say that nothing needs to be done on the issue of attorney ethics in federal court. Indeed, I have considerable sympathy for the objectives values Section 530B seeks to protect. All of us who at one time or another have been the subject of unfounded ethical or legal charges, as I have been as well, know the frustration of clearing one's name. And no one wants more than I to ensure that all federal prosecutors are held to the highest ethical standards. But Section 530B, as it was enacted last year, is not in my view the way to do it.

The bill I am introducing today addresses the narrow matter of federal prosecutorial conduct in a responsible way, and I might add, in a manner that is respectful of both federal and state sovereignty. As all of my colleagues know, each of our states has at least one federal judicial district. But the federal courts that sit in these districts are not courts of the state. They are, of course instrumentalities of federal sovereignty, created by Congress pursuant to its power under Article III of the Constitution, which vests the judicial power of the United States in ''one supreme Court and in such inferior Courts as the Congress may from time to time ordain and establish.''

As enacted, Section 530B is in my view a serious dereliction of our Constitutional duty to establish inferior federal courts. Should this provision take effect, Congress will have ceded the right to control conduct in the federal courts to more than fifty state bar associations, at a devastating cost to federal sovereignty and the independence of the federal judiciary. Simply put, the federal government, like each of our states, must retain for itself the authority to regulate the practice of law in its own courts and by its own lawyers. Indeed, the principle of federal sovereignty in its own sphere has been well established since Chief Justice Marshall's opinion in *McCulloch* v. *Maryland* [17 U.S. (4 Wheat.) 316, 1819].

However, it may only be a first step. For the problem of rules for the conduct of attorneys in federal court affects more than just prosecutors. It affects all litigants in each of our federal courts, who have a right to know what the rules are in the administration of justice. This is a problem that has been percolating in the federal bar for over a decade—the diversity of ethical rules governing attorney conduct in federal court.

Presently, there is no uniform rule that applies in all federal courts. Rather, applicable ethics rules have been left up to the discretion of local rules in each federal judicial district. Various districts have taken different approaches, including adopting state standards based on either the ABA Model Rules or the ABA Code, adopting one of the ABA models directly, and in some cases, adopting both an ABA model and the state rules.

This variety of rules has led to confusion, especially in multiforum federal practice. As a 1997 report prepared for the Judicial Conference's Committee on Rules of Practice and Procedure put it, ''Multiforum federal practice, challenging under ideal conditions, has been made increasingly complex, wasteful, and problematic by the disarray among federal local rules and state ethical standards.''

Moreover, the problem may well be made worse if Section 530B takes effect in its present form. First, as enacted, Section 530B contains an internal conflict that will add to the confusion. Section 530B provides that federal attorneys are governed by both the state laws and bar rules and the federal court's local rules. These, of course, are frequently different, setting up the obvious quandary—which take precedence? Finally, Section 530B might further add to the confusion, by raising the possibility of different standards in the same court for opposing litigants—private parties governed by the federal local rules and prosecutors governed by Section 530B.

The U.S. Judicial Conference's Rules Committee has been studying this matter, and is considering whether to issue ethics rules pursuant to its authority under the federal Rules Enabling Act. I believe that this is an appropriate debate to have, and that it may be time for the federal bar to mature. The days are past when federal practice was a small side line of an attorney's practice. Practice in federal court is now ubiquitous to any attorney's practice of law. It is important, then, that there be consistent rules. Indeed, for that very reason, we have federal rules of evidence, criminal procedure, and civil procedure. Perhaps it is time to consider the development of federal rules of ethics, as well.

This is not to suggest, of course, a challenge to the traditional state regulation of the practice of law, or the proper control by state Supreme Courts of the conduct of attorneys in state court. The assertion of federal sovereignty over the conduct of attorneys in federal courts will neither impugn nor diminish the sovereign right

of states to continue to do the same in state courts. However, the administration of justice in the federal courts requires the consideration of uniform rules to apply in federal courts and thus, I will be evaluating proposals to set uniform rules governing the conduct of attorneys in federal court.

Mr. President, the legislation I am introducing today is of vital importance to the continued enforcement of federal law. Its importance is compounded by the deadline imposed by the effective date of Section 530B. I urge my colleagues to join me in this effort, and support the Federal Prosecutor Ethics Act.

By Mr. THURMOND:

S.J. Res. 1. A joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, today I am introducing the voluntary school prayer constitutional amendment. This bill is identical to S.J. Res. 73, which I introduced in the 98th Congress at the request of then President Reagan and have reintroduced every Congress since.

This proposal has received strong support from both sides of the aisle and is of vital importance to our Nation. It would restore the right to pray voluntarily in public schools—a right which was freely exercised under our Constitution until the 1960's, when the Supreme Court ruled to the contrary.

Also, in 1985, the Supreme Court ruled an Alabama statute unconstitutional which authorized teachers in public schools to provide ''a period of silence * * * for meditation or voluntary prayer'' at the beginning of each school day. As I stated when that opinion was issued and repeat again: the Supreme Court has too broadly interpreted the Establishment Clause of the First Amendment and, in doing so, has incorrectly infringed on the rights of those children—and their parents—who wish to observe a moment of silence for religious or other purposes.

Until the Supreme Court ruled in the Engel and Abington School District decisions, the Establishment Clause of the First Amendment was generally understood to prohibit the Federal Government from officially approving, or holding in special favor, any particular religious faith or denomination. In crafting that clause, our Founding Fathers sought to prevent what had originally caused many colonial Americans to emigrate to this country—an official, State religion. At the same time, they sought, through the Free Exercise Clause, to guarantee to all Americans the freedom to worship God without government interference or restraint. In their wisdom, they recognized that true religious liberty precludes the government from both forcing and preventing worship.

As Supreme Court Justice William Douglas once stated: ''We are a religious people whose institutions presuppose a Supreme Being.'' Nearly every President since George Washington has proclaimed a day of public prayer. Moreover, we, as a Nation, continue to recognize the Deity in our Pledge of Allegiance by affirming that we are a Nation ''under God.'' Our currency is inscribed with the motto, ''In God We Trust''. In this Body, we open the Senate and begin our workday with the comfort and stimulus of voluntary group prayers. I would note that this practice has been upheld as constitutional by the Supreme Court.

It is unreasonable that the opportunity for the same beneficial experience is denied to the boys and girls who attend public schools. This situation simply does not comport with the intentions of the framers of the Constitution and is, in fact, antithetical to the rights of our youngest citizens to freely exercise their respective religions. It should be changed, without further delay.

The Congress should swiftly pass this resolution and send it to the States for ratification. This amendment to the Constitution would clarify that it does not prohibit vocal, voluntary prayer in the public school and other public institutions. It emphatically states that no person may be required to participate in any prayer. The government would be precluded from drafting school prayers. This well-crafted amendment enjoys the support of an overwhelming number of Americans.

I strongly urge my colleagues to support prompt consideration and approval of this legislation during this Congress.

Mr. President I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress:

''ARTICLE—

''Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any State to participate in prayer. Neither the United States nor any State shall compose the words of any prayer to be said in public schools.''.

By Mr. KYL (for himself, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BROWNBACK, Mr. COVERDELL, Mr. CRAPO, Mr. FRIST, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. MCCONNELL, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, and Mr. THOMPSON):

S.J. Res. 2. A joint resolution proposing an amendment to the Constitution of the United States to require two-thirds majorities for increasing taxes; to the Committee on the Judiciary.

Mr. KYL. Mr. President, I rise today on behalf of myself and Senators ABRAHAM, ALLARD, ASHCROFT, BROWNBACK, COVERDELL, CRAPO, FRIST, GRAMM, GRAMS, HAGEL, HELMS, HUTCHISON, INHOFE, MACK, MCCONNELL, SESSIONS, SHELBY, SMITH of New Hampshire, and THOMPSON, to introduce the Tax Limitation Amendment, a joint resolution that proposes to amend the Constitution to require a two-thirds vote of the House and Senate to raise taxes.

Mr. President, this is an idea that comes to us from the states. Voters from around the country have approved similar restrictions in recent years—doing so in most cases by overwhelming margins. Most recently, a solid majority of Montana voters approved an amendment to their state's constitution that requires voter approval of all new taxes and tax increases. That is a far stronger constraint than what is being proposed here.

By overwhelming majorities, voters in Arkansas, Maryland, and Virginia upheld their states tax-limitation initiatives, rejecting ballot propositions on November 3 last year that were designed to water down existing constraints on tax increases.

Two years ago, also by overwhelming majorities, voters from Florida to California approved initiatives aimed at limiting government's ability to raise taxes. Florida's Question One, which requires a two-thirds vote of the people to enact or raise any state taxes or fees, passed with 69.2 percent of the vote.

Seventy percent of Nevada voters approved the Gibbons amendment, requiring a two-thirds majority vote of the state legislature to pass new taxes or tax hikes. South Dakotans easily approved an amendment requiring either a vote of the people or a two-thirds vote of the legislature for any state tax increase.

And California voters tightened the restrictions in the most famous tax limitation of all, Proposition 13, so that all taxes at the local level now have to be approved by a vote of the people. Of course, voters in my home state of Arizona overwhelmingly approved a state tax limit of their own in 1992.

The Tax Limitation Amendment I am introducing today would impose similar constraints on federal tax-raising authority. It would require a two-

thirds majority vote of each house of Congress to pass any bill levying a new tax or increasing the rate or base of any existing tax. In short, any measure that would take more out of the taxpayers' pockets would require a supermajority vote to pass.

I would note that the proposed amendment includes provisions that would allow Congress to waive the supermajority vote requirement in times of war, or when the United States is engaged in military conflict which causes an imminent and serious threat to national security. But to ensure that such waiver authority is truly reserved for such emergencies and is not abused, any new taxes imposed under a waiver could only remain in effect for a maximum of two years.

Mr. President, why is a tax-limitation amendment necessary?

The two largest tax increases in our nation's history were enacted earlier this decade by only the slimmest of margins. In fact, President Clinton's 1993 tax increase did not even win the support of a majority of Senators. Vice President GORE broke a 50 to 50 vote tie to secure its passage.

Despite very modest efforts to cut taxes in the last few years, the effects of the record-setting tax increases of 1990 and 1993 are still being felt today. The tax burden imposed on the American people hit a peacetime high of 19.8 percent of GDP in 1997 and, according to the Congressional Budget Office, is continuing to rise—to 20.5 percent in 1998 and 20.6 in 1999. That will be higher than any year since 1945, and it would be only the third and fourth years in our nation's entire history that revenues have exceeded 20 percent of national income. Notably, the first two times revenues broke the 20 percent mark, the economy tipped into recession.

Already, economists are beginning to project slower economic growth in coming years. Barring any further shocks from abroad, growth for 1999 to 2003 is estimated at about two percent. In fact, growth during the high-tax Clinton years has averaged only about 2.3 percent annually. That compares to the 3.9 percent annual growth rate during the period after the Reagan tax cuts and before the 1990 tax increase. The heavy tax burden may not be the only reason for slow growth, but it is a significant factor.

With that in mind, I believe the President and Congress should consider reducing income-tax rates across the board for all Americans. We will no doubt have that debate about the need for tax relief in coming months. But whether we agree to cut taxes or not, we—the President and Congress—should be able to agree that taxes are high enough and should not be raised further, at least not without the kind of significant, broad-based and bipartisan support that would be required under the Tax Limitation Amendment.

Raising sufficient revenue to pay for government's essential operation is obviously a necessary part of governing, but raising tax rates is not necessarily the best way to raise revenue. As recent experience proves, it is a strong and growing economy—not high tax rates—that generates substantial amounts of new revenue for the Treasury. It was the growing economy that helped eliminate last year's unified budget deficit.

In any event, voters around the country seem to believe that raising taxes should only be done when there is broad support for the proposition. The TLA will ensure that no tax can be raised in the future without such consensus.

Mr. President, I invite my colleagues to cosponsor the initiative, and I ask unanimous consent that the text of the joint resolution be reprinted in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

''ARTICLE—

''SECTION 1. Any bill to levy a new tax or increase the rate or base of any tax may pass only by a two-thirds majority of the whole number of each House of Congress.

''SECTION 2. The Congress may waive section 1 when a declaration of war is in effect. The Congress may also waive section 1 when the United States is engaged in military conflict when it causes an imminent and serious threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law. Any provision of law which would, standing alone, be subject to section 1 but for this section and which becomes law pursuant to such a waiver shall be effective for not longer than 2 years.

''SECTION 3. All votes taken by the House of Representatives or the Senate under this article shall be determined by yeas and nays and the names of persons voting for and against shall be entered on the Journal of each House respectively.''.

By Mr. KYL (for himself, Mrs. FEINSTEIN, Mr. BIDEN, Mr. GRASSLEY, Mr. INOUYE, Mr. DEWINE, Ms. LANDRIEU, Ms. SNOWE, Mr. LIEBERMAN, Mr. MACK, Mr. CLELAND, Mr. COVERDELL, Mr. SMITH of New Hampshire, Mr. SHELBY, Mr. HUTCHINSON, Mr. HELMS, Mr. FRIST, Mr. GRAMM, Mr. LOTT, and Mrs. HUTCHISON):

S.J. Res. 3. A joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims; to the Committee on the Judiciary.

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES TO PROTECT THE RIGHTS OF CRIME VICTIMS

Mr. KYL. Mr. President, to ensure that crime victims are treated with fairness, dignity, and respect, I rise to introduce, along with Senator FEINSTEIN, a resolution proposing a constitutional amendment to establish and protect the rights of victims of violent crime. I would like to update the members on the latest form of the Crime Victims Rights Amendment and outline our plans for the 106th Congress.

This joint resolution is the product of extended discussions with House Judiciary Committee Chairman HENRY HYDE, Senators HATCH and BIDEN, the Department of Justice, the White House, law enforcement officials, major victims' rights groups, and such diverse scholars as Professors Larry Tribe and Paul Cassell. As a result of these discussions, the core values in the original amendment remain unchanged, but the language has been refined to better protect the interest of all parties.

Before I discuss the amendment in detail, I would like to thank Senator FEINSTEIN for her efforts to advance the cause of crime victims' rights and for her very valuable work on the language of the amendment. She has been a tireless and invaluable advocate for the amendment.

Mr. President, the scales of justice are imbalanced. The U.S. Constitution, mainly through amendments, grants those accused of crime many constitutional rights, such as a speedy trial, a jury trial, counsel, the right against self-incrimination, the right to be free from unreasonable searches and seizures, the right to subpoena witnesses, the right to confront witnesses, and the right to due process under the law.

The Constitution, however, guarantees no rights to crime victims. For example, victims have no right to be present, no right to be informed of hearings, no right to be heard at sentencing or at a parole hearing, no right to insist on reasonable conditions of release to protect the victim, no right to restitution, no right to challenge unending delays in the disposition of their case, and no right to be told if they might be in danger from release or escape of their attacker. This lack of rights for crime victims has caused many victims and their families to suffer twice, once at the hands of the criminal, and again at the hands of a justice system that fails to protect them. The Crime Victim Rights Amendment is a constitutional amendment that would bring balance to the judicial system by giving crime victims the rights to be informed, present, and heard at critical stages throughout their ordeal—the least the system owes to those it failed to protect.

Mr. President, the current version, which is the 62d draft of the amendment, contains the rights that we believe victims should have.

The amendment gives victims the rights:

To be notified of the proceedings;

To attend all public proceedings;

To be heard at certain crucial stages in the process;

To be notified of the offender's release or escape;

To consideration for a trial free from unreasonable delay;

To an order of restitution;

To have the safety of the victim considered in determining a release from custody; and

To be notified of these rights and standing to enforce them.

These rights are the core of the amendment.

Mr. President, if reform is to be meaningful, it must be in the U.S. Constitution. Since 1982, when the need for a constitutional amendment was first recognized by a Presidential Task Force on Victims of Crime, 32 states have passed similar measures—by an average popular vote of about 80 percent. These state measures have materially helped protect crime victims; but they are inadequate for two reasons: First, each amendment is different, and not all states have provided protection to victims; a Federal amendment would establish a basic floor of crime victims' rights for all Americans, just as the Federal Constitution provides for the accused. Second, statutory and State constitutional provisions are always subservient to the Federal Constitution; so, in cases of conflict, the defendants' rights—which are already in the U.S. Constitution—will always prevail. Our amendment will correct this imbalance.

It is important to note that the number one recommendation in a recent 400-page report by the Department of Justice on victims' rights and services that ''the U.S. Constitution should be amended to guarantee fundamental rights for victims of crime.'' The report continued: ''A victims' rights constitutional amendment is the only legal measure strong enough to rectify the current inconsistencies in victims' rights laws that vary significantly from jurisdiction to jurisdiction on the State and Federal levels.'' Further, ''Granting victims of crime the ability to participate in the justice system is exactly the type of participatory right the Constitution is designed to protect and has been amended to permanently ensure. Such rights include the right to vote on an equal basis and the right to be heard when the government deprives one of life, liberty, or property.''

Until crime victims are protected by the United States Constitution, the rights of victims will be subordinate to the rights of the defendant. Indeed, the National Governors Association—by a vote of 49–1—passed a resolution strongly supporting a constitutional amendment for crime victims. The resolution stated: ''Despite * * * widespread State initiatives, the rights of victims do not receive the same consideration or protection as the rights of the accused. These rights exist on different judicial levels. Victims are relegated to a position of secondary importance in the judicial process.'' The resolution also stated that ''The rights of victims have always received secondary consideration within the U.S. judicial process, even though States and the American people by a wide plurality consider victims' rights to be fundamental. Protection of these rights is essential and can only come from a fundamental change in our basic law: the U.S. Constitution.''

Some may say, ''I'm all for victims' rights but they don't need to be in the U.S. Constitution. The Constitution is too hard to change. All we need to do is pass some good statutes to make sure that victims are treated fairly.'' But statutes have been inadequate to restore balance and fairness for victims. The history of our country teaches us that constitutional protections are needed to protect the basic rights of the people. Our criminal justice system needs the kind of fundamental reform that can only be accomplished through changes in our fundamental law—the Constitution.

Attorney General Reno has confirmed the point, noting that, ''unless the Constitution is amended to ensure basic rights to crime victims, we will never correct the existing imbalance in this country between defendants' constitutional rights and the haphazard patchwork of victims' rights.'' Attempts to establish rights by federal or state statute, or even state constitutional amendment, have proven inadequate, after more then twenty years of trying.

On behalf of the Department of Justice, Ray Fisher, the Associate Attorney General, recently testified that ''the state legislative route to change has proven less than adequate in according victims their rights. Rather than form a minimum baseline of protections, the state provisions have produced a hodgepodge of rights that vary from jurisdiction to jurisdiction. Rights that are guaranteed by the Constitution will receive greater recognition and respect, and will provide a national baseline.''

A number of legal commentators have reached similar conclusions. In the 1997 Harvard Law Bulletin, Professor Laurence Tribe has explained that the existing statutes and state amendments ''are likely, as experience to date sadly shows, to provide too little real protection whenever they come into conflict with bureaucratic habit, traditional indifference, sheer inertia, or any mention of an accused's rights regardless of whether those rights are genuinely threatened.'' He has also stated, ''there appears to be a considerable body of evidence showing that, even where statutory or regulatory or judge-made rules exist to protect the participatory rights of victims, such rights often tend to be honored in the breach. * * *''

Additionally, in the Baylor Law Review, Texas Court of Appeals Justice Richard Barajas has explained that ''[i]t is apparent * * * that state constitutional amendments alone cannot adequately address the needs of crime victims.'' Federal statutes are also inadequate. Professor Cassell's detailed 1998 testimony about the Oklahoma City Bombing Case shows that, as he concluded, ''federal statutes are insufficient to protect the rights of crime victims.''

Mr. President, I was pleased that in July 1998 the Senate Judiciary Committee passed the amendment, S.J. Res. 44, by a bipartisan vote of 11 to 6. The amendment has strong bipartisan support. It was cosponsored by 30 Republicans and 12 Democrats, including leadership members such as Senators LOTT, THURMOND, MACK, COVERDELL, CRAIG, BREAUX, REID, TORRICELLI, and Ford (now retired).

In the 106th Congress, Senator FEINSTEIN and I will work hard to ensure the amendment's passage. We plan to hold a hearing early in the Congress, followed by a markup and consideration by the full Senate. We welcome comments and suggestions from Members and other interested parties.

Again, I would like to thank Senator DIANNE FEINSTEIN for her hard work on this amendment and for her tireless efforts on behalf of crime victims. Mr. President, for far to long, the criminal justice system has ignored crime victims who deserve to be treated with fairness, dignity, and respect. Our criminal justice system will never be truly just as long as criminals have rights and victims have none.

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

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 3

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

ARTICLE—

SECTION 1. A victim of a crime of violence, as these terms may be defined by law, shall have the rights:

to reasonable notice of, and not be excluded from, any public proceedings relating to the crime;

to be heard, if present, and to submit a statement at all such proceedings to determine a conditional release from custody, and an acceptance of a negotiated plea, or a sentence;

to the foregoing rights at a parole proceeding that is not public, to the extent those rights are afforded to the convicted offender;

to reasonable notice of a release or escape from custody relating to the crime;

to consideration of the interest of the victim that any trial be free from unreasonable delay;

to an order of restitution from the convicted offender;

to consideration for the safety of the victim in determining any conditional release from custody relating to the crime; and

to reasonable notice of the rights established by this article.

SECTION 2. Only the victim or the victim's lawful representative shall have standing to assert the rights established by this article. Nothing in this article shall provide grounds to stay or continue any trial, reopen any proceeding or invalidate any ruling, except with respect to conditional release or restitution or to provide rights guaranteed by this article in future proceedings, without staying or continuing a trial. Nothing in this article shall give rise to or authorize the creation of a claim for damages against the United States, a State, or political subdivision, or a public officer or employee.

SECTION 3. The Congress shall have the power to enforce this article by appropriate legislation. Exceptions to the rights established by this article may be created only when necessary to achieve a compelling interest.

SECTION 4. This article shall take effect on the 180th day after the ratification of this article. The right to an order of restitution established by this article shall not apply to crimes committed before the effective date of this article.

SECTION 5. The rights and immunities established by this article shall apply in Federal and State proceedings, including military proceedings to the extent that the Congress may provide by law, juvenile justice proceedings, and proceedings in the District of Columbia and any commonwealth, territory, or possession of the United States.

Mrs. FEINSTEIN. Mr. President, I rise today with my colleague, Senator KYL, to once again introduce a constitutional amendment to provide rights for victims of violent crime.

We have achieved significant progress in our effort to pass the amendment. After working extensively—indeed, exhaustively—with prosecutors, law professors, the Justice Department, the White House Counsel's Office, and leaders of victims groups from around the country to carefully craft and hone the amendment's language, we succeeded in bringing the amendment to markup in the Judiciary Committee.

After numerous committee business meetings, and one of the most high-minded debates in which I have been privileged to participate, the Judiciary Committee passed the amendment by a strong, bipartisan vote. Unfortunately, with the press of final business at the end of the Congress, there was not sufficient time to consider the amendment on the Senate floor and work it through the House.

So here we are now, carrying the fight forward into this new, 106th Congress. We are fighting to ensure that the 8.6 million victims of violent crime in the country receive the fair treatment by the judicial system which they deserve. Too often in America victims of violent crime are victimized a second time, by the government.

Let me give you an example of what I'm talking about. What really focused my attention on the need for greater protection of victims' rights was a particularly horrifying case in 1974, in San Francisco, when a man named Angelo Pavageau broke into the house of the Carlson family in Portero Hill.

Pavageau tied Mr. Carlson to a chair, bludgeoning him to death with a hammer, a chopping block, and a ceramic vase. He then repeatedly raped Carlson's 24-year-old wife, breaking several of her bones. He slit her wrist, tried to strangle her with a telephone cord, and then, before fleeing, set the Carlson's home on fire—cowardly reteating into the night, leaving this family to burn up in flames.

But Mrs. Carlson survived the fire. She courageously lived to testify against her attacker. But she has been forced to change her name and continues to live in fear that her attacker may, one day, be released. When I was Mayor of San Francisco, she called me several times to notify me that Pavageau was up for parole. Amazingly, it was up to Mrs. Carlson to find out when his parole hearings were.

Mr. President, I believe this case represents a travesty of justice—It just shouldn't have to be that way. I believe it should be the responsibility of the state to send a letter through the mail or make a phone call to let the victim know that her attacker is up for parole, and she should have the opportunity to testify at this hearing.

But today, in many states in this great nation, victims still are not made aware of the accused's trial, many times are not allowed in the courtroom during the trial, and are not notified when a convicted offender is released from prison.

I have vowed to do everything in my power to add a bit of balance to our nation's justice system. This is why Senator KYL and I have crafted the Crime Victim's Rights Amendment before us today.

The people of California were the first in the nation to pass a crime victims' amendment to the state constitution in 1982—the imitative Proposition 8—and I supported its passage. This measure gave victims the right to restitution, the right to testify at sentencing, probation and parole hearings, established a right to safe and secure public school campuses, and made various changes in criminal law. California's Proposition 8 represented a good start to ensure victims' rights.

Since the passage of Proposition Eight, 31 more states have passed constitutional amendments guaranteeing the rights of crime victims. Just this past November, Mississippi, Montana and Tennessee added victims' rights amendments to their state constitutions. These amendments were overwhelmingly supported by the voters, winning with 93%, 71% and 89% of the vote, respectively.

But citizens in other states lack these basic rights. The 32 different state constitutional amendments differ from each other, representing a patchwork quilt of rights that vary from state to state. And even in those states which have state amendments, criminals can assert rights grounded in the federal constitution to try to trump those rights.

The United States Constitution guarantees numerous rights to the accused in our society, all of which were established by amendment to the Constitution. I steadfastly believe that this nation must attempt to guarantee, at the very least, some basic rights to the millions victimized by crime each year.

For those accused of crimes in this country, the Constitution specifically protects:

The right to a grand jury indictment for capital or infamous crimes;

The prohibition against double jeopardy;

The right to due process;

The right to a speedy trial and the right to an impartial jury of one's peers;

The right to be informed of the nature and cause of the criminal accusation;

The right to confront witnesses;

The right to counsel;

The right to subpoena witnesses—and so on.

However, nowhere in the text of the U.S. Constitution does there appear any guarantee of rights for crime victims.

To rectify this disparity, Senator KYL and I are putting forth this Crime Victims' Rights Amendment. This provides for certain rights for victims of crime:

The right to be notified of public proceedings in their case;

The right not be excluded from these proceedings;

The right to be heard at proceedings to determine a release from custody, sentencing, or acceptance of a negotiated plea;

The right to notice of the offender's release or escape;

The right to consideration for the interest of the victim in a trial free from unreasonable delay;

The right to an order of restitution from the convicted offender;

The right to consideration for the safety of the victim in determining any release from custody; and

The right to notice of your rights as a victim.

Conditions in our nation today are significantly different from those in 1789, when the founding fathers wrote the Constitution without providing explicitly for the rights of crime victims. In 1789, there weren't 9 million victims of violent crime every year. In fact, there are more victims of violent crime each year in this country now than there were people in the country when the Constitution was written.

Moreover, there is good reason why defendants' rights were embedded in the Constitution in 1789 and victims' rights were not—the way the criminal justice system worked then, victims did not need any guarantee of these rights.

In America in the late 18th century and well into the 19th century, public prosecutors did not exist. Victims could, and did, commence criminal cases themselves, by hiring a sheriff to arrest the defendant, and initiating a private prosecution. The core rights in our amendment—to notice, to attend, and to be heard—were inherently made available to the victim. As Juan Cardenas, writing in the Harvard Journal of Law and Public Policy, observed, ''At trial, generally, there were no lawyers for either the prosecution or the defense. Victims of crime simply acted as their own counsel, although wealthier crime victims often hired a prosecutor.''

Gradually, public prosecution replaced the system of private prosecution. With the explosive growth of crime in this country in recent years (the rate of violent crime has more than quadrupled over the last 35 years), it became easier and easier for the victim to be left aside in the process.

As other scholars have noted:

> With the establishment of the prosecutor the conditions for the general alienation of the victim from the legal process further increase. The victim is deprived of his ability to determine the course of a case and is deprived of the ability to gain restitution from the proceedings. Under such conditions the incentives to report crime and to cooperate with the prosecution diminish. As the importance of the prosecution increases, the role of the victim is transformed from principal actor to a resource that may be used at the prosecutor's discretion.

Thus, we see why the Constitution must be amended to guarantee these rights:

There was no need to guarantee these rights in the Constitution in 1789;

The criminal justice system has changed dramatically since then; and

The prevalence of crime in America has changed dramatically creating the need and circumstances to respond to these developments and restore balance in the criminal justice system by guaranteeing the rights of violent crime victims in the Constitution.

Among the amendment's supporters are Professor Laurence Tribe of the Harvard Law School.

Let me just briefly quote portions of his testimony from the House hearing on the amendment last Congress:

> The rights in question—rights of crime victims not to be victimized yet again through the process by which government bodies and officials prosecute, punish, and release the accused or convicted offender—are indisputably basic human rights against government, rights that any civilized system of justice would aspire to protect and strive never to violate.
>
> [O]ur Constitution's central concerns involve protecting the rights of individuals to participate in all those government processes that directly and immediately involve those individuals and affect their lives in some focused and particular way . . . The parallel rights of victims to participate in these proceedings are no less basic, even though they find no parallel recognition in the explicit text of the U.S. Constitution.
>
> The fact that the States and Congress, within their respective jurisdictions, already have ample affirmative authority to enact rules protecting these rights is . . . not a reason for opposing an amendment altogether . . . The problem, rather, is that such rules are likely, as experience to date sadly shows, to provide too little real protection whenever they come into conflict with bureaucratic habit, traditional indifference, sheer inertia, or any mention of an accused's rights regardless of whether those rights are genuinely threatened.

Some people argue that state victims' rights amendments are sufficient.

However, crime victims throughout the country, including those in the other 18 states, deserve to have rights, just as we applied civil rights to people throughout our great nation 30 years ago.

Moreover, state amendments lack the force that a federal constitutional amendment would have, and too often are given short shrift:

Maryland has a state amendment. But when Cheryl Rae Enochs Resch was beaten to death with a ceramic beer mug by her husband, her mother was not notified of this killer's early release only two and a half years into his ten year sentence, and was not given the opportunity to be heard about this release, in violation of the state amendment.

Arizona has a state amendment. But an independent audit of victim-witness programs in four Arizona counties, including Maricopa County where Phoenix is located, found that:

Victims were not consistently notified of hearing during which conditions of a defendant's release were discussed . . .

Victims were not consistently . . . conferred with by prosecutors regarding plea bargains . . .; and

Victims were not consistently . . . provided with an opportunity to request post-conviction notification.

Ohio has a state amendment. But when the murderer of Maxine Johnson's husband change his plea, Maxine was not notified of the public hearing, and then was not given the opportunity to testify at his sentencing, as provided for in Ohio law.

A Justice Department-supported study of the implementation of state victims' rights amendments, released last year, made similar findings:

> Even in states with strong legal protections for victims' rights, the Victims' Rights study revealed that many victims are denied their rights. Statutes themselves appear to be insufficient to guarantee the provision of victims' rights.
>
> Nearly two-thirds of crime victims, even in states with strong victims' rights protection, were not notified that the accused offender was out on bond.
>
> Nearly half of all victims, even in the strong protection states, did not receive notice of the sentencing hearing—notice that is essential if they are to exercise their right to make a statement at sentencing.
>
> A substantial number of victims reported that they were not given an opportunity to make a victim impact statement at sentencing or parole.

State amendments simply are not enough—they provide different rights in different states, they do not exist at all in others, and they are too often ignored when they do exist.

We implore members of this body to examine this amendment, and to help to secure passage of this monumental piece of legislation.

The text of the amendment which we are introducing today is the very same text which the Judiciary Committee passed on a strong bipartisan basis last summer. Sen KYL and I urge the leaders of the Senate and of the committee to move this amendment expeditiously, so that the clock does not run out on us yet again. This amendment has been the subject of three Senate hearings, two hearings in the House, and an extensive examination and debate in the Judiciary Committee.

We urge Senators HATCH, the distinguished Chairman of the committee, to schedule a hearing on the amendment in January or February, with a markup to follow shortly thereafter. It is our hope that the committee can complete its action with all deliberate speed, and we call upon our distinguished Leaders, Senators LOTT and DASCHLE, to commit to a floor vote on the amendment during National Victims' Rights Week in late April.

After two hundred years, doesn't this Nation owe something to the millions of victims of violent crime? I believe that is our obligation and should be our biggest priority—not only for the crime victims, but, for all Americans—to ensure passage of a Crime Victims' Rights Constitutional Amendment.

I want to personally thank Senator KYL for his tireless efforts to accomplish this amendment, and to say that I look forward to continuing to work with him in the months to come.

By Mr. KYL:

S.J. Res. 4. A joint resolution proposing an amendment to the Constitution of the United States to provide that expenditures for a fiscal year shall exceed neither revenues for such fiscal year nor 19 per centum of the Nation's gross domestic product for the calendar

year ending before the beginning of such fiscal year; to the Committee on the Judiciary.

BALANCED BUDGET/SPENDING LIMITATION AMENDMENT

Mr. KYL. Mr. President, I rise today to introduce the Balanced Budget/Spending Limitation Amendment—a joint resolution proposing to amend the Constitution of the United States to establish both a federal spending limit and a requirement that the federal government maintain a balanced budget.

Mr. President, it seems to me that although we may have succeeded in balancing the unified budget, we still have two very different visions of where we should be headed. Is a balanced budget the paramount goal, even if it comes with substantially higher taxes and more spending? Or is the real goal of a balanced budget to be more responsible with people's hard-earned tax dollars—to limit government's size and give people more choices and more control over their lives? Before we try to answer those questions, let us try to give them some context.

When we balanced the unified budget last year, we did so by taxing and spending at a level of about $1.72 trillion. That is a level of spending that is 25 percent higher than when President Clinton took office just six years ago. Our government now spends the equivalent of $6,700 for every man, woman, and child in the country every year. That is the equivalent of nearly $27,000 for the average family of four. But all of that spending comes at a tremendous cost to hard-working taxpayers.

The Tax Foundation estimates that the median income family in America saw its combined federal, state, and local tax bill climb to 37.6 percent of income in 1997—up from 37.3 percent the year before. That is more than the average family spends on food, clothing, shelter, and transportation combined. Put another way, in too many families, one parent is working to put food on the table, while the other is working almost full time just to pay the bill for the government bureaucracy.

Perhaps a different measure of how heavy a tax burden the federal government imposes would be helpful. Consider that federal revenues hit a peacetime high of 19.8 percent of Gross Domestic Product (GDP) in 1997 and, according to the Congressional Budget Office, will continue to climb—to 20.5 percent in 1998 and 20.6 percent in 1999. That will be higher than any year since 1945, and it would be only the third and fourth years in our nation's entire history that revenues have exceeded 20 percent of national income. Notably, the first two times revenues broke the 20 percent mark, the economy tipped into recession.

For me, it is not enough to balance the budget if it means that hard-working families continue to be overtaxed. It is not enough to balance the budget if government continues to grow, seemingly without limits, taking choice and freedom away from people in the process. And it is not enough to balance the budget by collecting so much in taxes that it leads the economy into recession.

A balanced budget is not the only goal, or even the highest goal. A balanced budget should be the way we find what is the appropriate size and scope of government—the way to make Washington more respectful of hard-working taxpayers' earnings and their desire to do right by themselves and their families. That is where our paramount concern should be—with the taxpayers.

Mr. President, last year was the first time in nearly 30 years that Washington managed to balance its books. In fact, we posted a record unified budget surplus of $70 billion, and we did so even though we have no constitutional requirement for a balanced budget. Some will use that fact to argue there is no need for a balanced budget amendment. I would suggest to them that they look back at what happened last October.

Just three weeks—exactly 21 days—after confirming that the federal government had indeed achieved its first budget surplus in a generation, Congress passed, and the President signed, a bill that used fully a third of the surplus for increased spending on a variety of government programs other than Social Security, tax relief, or repayment of the national debt.

Many people will recall that President Clinton pledged in his State of the Union address a year ago to ''save every penny of any surplus'' for Social Security, yet he was the first in line with a long list of programs to be funded out of the budget surplus. And fearful that if the President did not get his way he would veto the budget and tar Congress with the blame for another government shutdown, many Members of Congress went along and voted for this raid on the surplus.

That was just the first in what is expected to be a series of efforts by President Clinton to spend down the surplus in coming months. Another $2.5 billion supplemental spending request is already in the works.

Coupled with a peacetime tax burden that is at an all-time high and growing, this portends a dangerous return to the old ways of budget-busting, bigger government—that is, unless we agree to abide by the lasting discipline of a constitutional requirement to balance the budget.

The Balanced Budget/Spending Limitation Amendment would impose discipline on Congress and the President in two ways. First, it would require that we maintain a balanced federal budget. Second, consistent with the vision of limited government, it would limit federal spending to 19 percent of the national income, as measured by the Gross Domestic Product. That is roughly the level of revenue collected by the government over the last 40 years. Interestingly, a December 1998 report by the Joint Economic Committee concludes that the optimal level of spending may actually be lower—17.5 percent of GDP.

In other words, beyond a certain point—the Joint Committee suggests it is 17.5 percent of GDP—government's claim to private resources can actually hurt the economy. Consider, for example, that economic growth during the high-tax Clinton years has averaged only about 2.3 percent annually, whereas we averaged 3.9 percent annual growth during the period after the Reagan tax cuts and before the 1990 tax increase.

Raising sufficient revenue to pay for government's essential operations is obviously a necessary part of governing, but raising tax rates is not necessarily the best way to raise revenue. As recent experience proves, it is a strong and growing economy—not high tax rates—that generates substantial amounts of new revenue for the Treasury. It was the growing economy that helped eliminate last year's unified budget deficit.

The advantage of the Balanced Budget/Spending Limitation Amendment is that it keeps our eye on the ball. It tells Congress to limit spending. And by linking spending to economic growth, it gives Congress a positive incentive to enact pro-growth economic and tax policies. Only a healthy and growing economy—measured by GDP—would increase the dollar amount that Congress is allowed to spend, although always proportionate to the size of the economy. In other words, 19 percent of a larger GDP represents more revenue to the Treasury than 19 percent of a smaller GDP.

I urge my colleagues to consider the need for a balanced budget amendment, and the advantages of the Balanced Budget/Spending Limitation Amendment in particular. I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 4

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

''ARTICLE—

''SECTION 1. Except as provided in this article, outlays of the United States Government for any fiscal year may not exceed its receipts for that fiscal year.

''SECTION 2. Except as provided in this article, the outlays of the United States Government for a fiscal year may not exceed 19 per centum of the Nation's gross domestic product for the last calendar year ending before the beginning of such fiscal year.

''SECTION 3. The Congress may, by law, provide for suspension of the effect of sections 1 or 2 of this article for any fiscal year for which three-fifths of the whole number of each House shall provide, by a roll call vote, for a specific excess of outlays over receipts or over 19 per centium of the Nation's gross domestic product for the last calendar year ending before the beginning of such fiscal year.

''SECTION 4. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except those for the repayment of debt principal.

''SECTION 5. This article shall apply to the second fiscal year beginning after its ratification and to subsequent fiscal years.''.

By Mr. GRAMM (for himself and Mr. GORTON):

S.J. Res. 5. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; to the Committee on the Judiciary.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. GRAMM. President, I rise today with Senator GORTON to introduce a Balanced Budget Constitutional Amendment which is designed to protect Social Security. Since we last considered a balanced budget amendment in the Senate, we have achieved balance in the unified federal budget for the first time in 30 years, and have made substantial progress toward achieving balance without relying on the surpluses currently accumulating in Social Security. For 1998, the Department of the Treasury reports that the federal government ran a unified budget surplus of $70 billion, and an on-budget deficit of $29 billion when the $99 billion surplus in Social Security is not counted. This on-budget deficit is projected to disappear by 2002 under current budget policies.

The Balanced Budget Constitutional Amendment I am introducing today is identical to S.J. Res. 1 of the 105th Congress, which received 66 votes in the Senate on March 4, 1997, except that surplus revenues in Social Security are not counted in determining compliance.

The President and a majority of Congress have expressed support for balancing the budget without counting Social Security surpluses, and now that goal is within our reach. We should take this opportunity to approve this Constitutional amendment and send it to the States for ratification. This Constitutional amendment would provide the structure and enforcement mechanism to allow us to achieve this bipartisan goal.

By Mr. HOLLINGS (for himself, Mr. SPECTER, Mr. MCCAIN, and Mr. BRYAN):

S.J. Res. 6. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

Mr. HOLLINGS. Mr. President, I rise today to address a problem with which we are all too familiar: the ever-increasing cost of political campaigns. Sadly, this cost can be counted not only in millions of dollars but also in lost credibility. Each election year, our political system and we as representatives lose the invaluable and irreplaceable trust of the American people.

The enormous amount of money required to wage a political campaign today has given rise to the pervasive belief that our elections—indeed, even we ourselves—are up for sale to the highest bidder. Though this is not the reality, the fact that it is the perception is almost as damning.

It is time to strike a blow against the anything-goes fundraising and spending encouraged by both political parties. The need to limit campaign expenditures is more urgent than ever: the total cost of Congressional campaigns skyrocketed from $446 million in 1990 to over $620 million in 1996. This represents a 71-percent increase in just six years. Although fundraising slowed in the election cycle just ended, candidates for general election in 1998 still spent over $10 million more than their counterparts in 1996.

Make no mistake: this lull is a temporary one. Experts attribute the slowed spending last year to the unusually large number of uncompetitive elections. I know this is true because in my state, which was the setting for highly competitive elections for my Senate seat as well as the governorship and other state offices, candidates spent record amounts and made 1998 the most expensive election year in South Carolina history. In fact, although the total cost of all Congressional elections increased only slightly this year, candidates for Senate office spent over 15 percent more than their counterparts in 1996.

We can be sure that in 2000, election spending will skyrocket to new, astounding levels. And we can be equally sure that this will add to the public's already overwhelming cynicism about its representatives and to the problem of corruption, or at least its appearance in our political system.

At best, the obsession with money distracts us from the people's business. At worst, it corrupts and degrades the entire political process. Fundraisers used to be arranged so they don't conflict with the Senate schedule; nowadays, the Senate schedule is regularly shifted to accommodate fundraisers.

All this is the result of the rising costs of political campaigns. Ironically, campaign expenditures have risen dramatically, far exceeding inflation, since Congress attempted campaign finance reform in 1974. Even greater than the increases in aggregate campaign costs were those for average winning candidates—the most useful measure of the real costs of running for office. The average cost for a winning House candidate rose from $87,000 in 1976 to over $640,000 in 1998. For a victorious Senate candidate, the cost of victory rose from $609,000 to $4.4 million last year.

I remember Senator Richard Russell used to say, ''They give you a six year term in this U.S. Senate: two years to be a statesman, the next two years to be a politician, and the last two years to be a demagogue.'' Regrettably, we are no longer afforded even 2 years as statesmen. We proceed straight to demagoguery after an election because of the imperatives of raising money.

The public demands the system be cleaned up. But how? For years, Senator SPECTER and I have introduced a constitutional amendment allowing Congress to set reasonable campaign expenditure limits. Today Senator SPECTER and I will reintroduce our amendment to empower Congress and the States to limit campaign spending as they see fit. I believe a constitutional amendment is the only way to fix the system; yet since 1976, Congress has failed to adopt one. It has opted instead for a series of half-hearted, piecemeal solutions, with predictable results.

For nearly a quarter of a century, Congress has tried to tackle runaway campaign spending through statutory means. Again and again, Congress has failed. Let us resolve not to repeat the mistakes of past campaign finance reform efforts, which have bogged down in partisanship as Democrats and Republicans each have tried to gore the other's sacred cows.

The most recent statutory attempt to reform our tangled campaign system was the McCain-Feingold campaign finance reform bill. Although I supported this legislation and will do so again this year, I have grave doubts about its ability to effectively reform our tangled campaign finance system. I fear McCain-Feingold never will be enacted, and that even if it passes, it will not withstand the Supreme Court's scrutiny.

Since 1976, the Supreme Court has made it clear that it will not uphold any law that limits the money political candidates can spend to win office. The most recent example of the Court's position, as well as of the obstacles local and state officials attempting reform

face in their courts, came last November, when the Supreme Court refused to entertain an appeal from the City of Cincinnati involving an ordinance that limited the amount city council candidates could spend trying to get elected. That ordinance had been struck down by a lower federal court as unconstitutional. So you see, Mr. President, no statutory legislation—at the federal, state, or local level—is going to succeed at cleaning up our political system because no such legislation will pass constitutional muster.

The framework for today's campaign finance system was erected back in 1974, when Congress responded to public outrage over the Watergate scandals and the disturbing money trails from the 1972 Presidential election by passing, on a bipartisan basis, a comprehensive campaign finance law. I was here in 1974, and I was proud to support the Federal Election Campaign Act. The centerpiece of this reform was a limitation on campaign expenditures. Congress recognized that spending limits were the only rational alternative to a system that essentially awards office to the highest bidder.

Unfortunately, in 1976 the Supreme Court overturned these spending limits in its infamous Buckley versus Valeo decision. The Court mistakenly equated a candidate's right to spend unlimited sums of money with his right to free speech. In the face of spirited dissents, the Court drew a tortuous distinction between campaign contributions and campaign expenditures. The Court concluded that limiting an individual's campaign contributions was a justifiable abridgment of the First Amendment, on the grounds that ''the governmental interest in preventing corruption and the appearance of corruption outweighs considerations of free speech.''

Yet the Court also concluded, in a dichotomous and confusing decision, that the state's interest in preventing corruption and its appearance did not justify limiting a candidate's total expenditures. This, the Court ruled, constituted an unacceptable infringement on candidates' speech.

I have never been able to fathom why that same test—the governmental interest in preventing corruption and the appearance of corruption—does not justify limits on campaign spending. The Court committed a grave error by striking down spending limits as a threat to free speech. The fact is, imposing spending limits in federal campaigns would help restore the free speech that has been eroded by the Buckley decision.

As Professor Gerald G. Ashdown wrote in the New England Law Review, amending the Constitution to allow Congress to regulate campaign expenditures is ''the most theoretically attractive of the approaches to reform since, from a broad free speech perspective, the decision in Buckley is misguided and has worsened the campaign finance atmosphere.'' Adds Professor Ashdown: ''If Congress could constitutionally limit the campaign expenditures of individuals, candidates, and committees, along with contributions, most of the troubles . . . would be eliminated.''

Let us be done with the hollow charge that spending limits are somehow an attack on freedom of speech. As Justice Byron White pointed out in his dissent from the majority's Buckley opinion, both contribution limits and spending limits are neutral as to the content of speech and are not motivated by fear of the consequences of political speech in general.

The Buckley decision created a double bind. It upheld restrictions on campaign contributions but struck down restrictions on how much candidates with deep pockets can spend. The Court ignored the practical reality that if my opponent has only $50,000 to spend in a race and I have $1 million, then I can effectively deprive him of speech. By failing to respond to my advertising, my cash-poor opponent will appear unwilling to speak up in his own defense.

Justice Thurgood Marshall zeroed in on this disparity in his dissent to Buckley. By striking down the limit on what a candidate can spend, Justice Marshall said, ''It would appear to follow that the candidate with a substantial personal fortune at his disposal is off to a significant head start.''

Indeed, Justice Marshall went further. He argued that by upholding the limitations on contributions but striking down limits on overall spending, the Court put an additional premium on a candidate's personal wealth. Justice Marshall was dead right. The Buckley decision has been a boon to wealthy candidates, who can flood the airwaves and drown out their opponents' voices.

Make no mistake: political speech is not free. A political candidate's ability to disseminate his ideas and speak to the voters depends entirely on his finances. Thus, candidates who are personally wealthy or possess large campaign coffers have a tremendous advantage over poorer candidates—they always will enjoy more speech. The amendment Senator SPECTER and I propose today will help level the playing field between rich and poor candidates and ensure that all enjoy equal speech.

Believe me, Mr. President, I am not enunciating any radical view today. The Court itself equated money with speech in its Buckley decision. Of course, the Court—and critics of this amendment—adheres to the belief that limiting candidate expenditures is a violation of the First Amendment. Yet the Court rules in 1976 that there exist compelling interests—in this case, the need to prevent the appearance and reality of corruption—to justify the state in circumscribing protected speech. All this amendment does is apply the Court's rationale to candidates' speech.

Buckley's nullification of spending limits has helped give rise to American's belief that political offices are up for sale to the highest bidder and has curtailed public discourse. By rendering spending limits impossible it has fueled the escalating costs of campaigns and forced politicians to focus more and more on fundraising and less on important public issues. Our urgent task is to right the injustice of Buckley versus Valeo by empowering Congress to limit campaign spending.

My proposed constitutional amendment would accomplish this. It does not proscribe specific cures for what ails our campaign finance system. Instead, it would provide Congress the authority to reform the system by limiting candidate spending.

To a distressing degree today, elections are determined not in the political marketplace but in the financial marketplace. Our elections are supposed to be contests of ideas, but too often they degenerate into megadollar derbies, paper chases through the board rooms of corporations and special interests.

Mr. President, campaign spending must be brought under control. The constitutional amendment I have proposed would permit Congress to impose fair, responsible, workable limits on Federal campaign expenditures.

Such a reform would have four important effects. It would end the mindless pursuits of enormous campaign war chests. Also, it would free candidates from their current obsession with fundraising and allow them to focus more on issues and ideas; once elected to office, we wouldn't have to spend 20 percent of our time raising money to keep our seats. Third, it would curb the influence of special interests. And finally, it would create a more level playing field for all candidates.

Before concluding, Mr. President, I would like to elaborate on the advantages of a constitutional amendment such as I propose over statutory attempts to reform the campaign system. Recent history amply demonstrates the practicality and viability of this constitutional route. It is not coincidence that the six most-recent amendments to the Constitution have dealt with Federal election issues. These are profound issues which go to the heart of our democracy; it is entirely appropriate that they be addressed through a constitutional amendment.

And let's not be distracted by the argument that amending the constitution will take too long. Take too long? We have been dithering on this campaign finance issue since the early 1970s, and we haven't advanced the ball a single yard. It has been a quarter of a century, and no legislative solution has done the job.

Excluding the unusual case of the Twenty-seventh Amendment, which required over 200 years to be ratified, the last five constitutional amendments took an average of only 17 months to be adopted. There is no reason why we cannot pass this joint resolution, submit it to the States for a vote, and ratify the amendment in time for it to govern the 2000 elections. Indeed, this approach could prove more expeditious than the alternative statutory approach. This joint resolution, once passed by the Congress, will go directly to the States for ratification. Once ratified, it will become the law of the land and will not be subject to veto or Supreme Court challenge.

Furthermore, I anticipate and reject the argument that if we were to pass and ratify this amendment, Democrats and Republicans would be unable to hammer out a mutually acceptable formula of campaign expenditure limits. A Democratic Congress and Republican President did exactly that in 1974, and we can certainly do it again.

Mr. President, this amendment will address the campaign finance mess directly, decisively, and conclusively. The Supreme Court has chosen to ignore the overwhelmingly detrimental effects of money in today's campaigns. In the Buckley decision, it elucidated a vague and inconsistent definition of free speech. In its place, I urge passage of this amendment. Let us ensure equal freedom of expression for all who seek Federal office.

By Mr. HATCH (for himself, Mr. THURMOND, Mr. CRAIG, and Mr. ASHCROFT):

S.J. Res. 7. A joint resolution proposing an amendment to the Constitution of the United States to require a balanced budget; to the Committee on the Judiciary.

THE CONSTITUTIONAL BALANCED BUDGET ACT OF 1999

Mr. HATCH. Mr. President, I am today, once again, introducing a constitutional amendment to balance the budget. In so doing, I continue the effort that I and many of my colleagues have long pursued to provide a permanent and strong mandate for a fiscally responsible path for our Nation.

It is a political reality, of course, that Congress' success in decreasing our deficit levels and achieving a balanced budget in the 105th Congress to a certain extent mitigated the urgency of passing this Constitutional Amendment.

In my view, however, this is the ideal time to move forward on a constitutional amendment. The fact that we have reached a balanced budget has shown that it can be done. Significantly, it has refuted the arguments and scare tactics of opponents that a balanced budget would mean the end of Social Security and Medicare. Rather, we now have a record to demonstrate the strong benefits of a balanced budget to our economy in general and to each segment of our society in particular.

I am as proud as any Member of this body of our recent success in restraining the deficit. But that success does not mean that this amendment is no longer necessary. Our history, unfortunately, demonstrates that the fiscal discipline of recent years is the exception, not the rule. The political incentives in this town to spend now and pay later remain. Thus, it is as true now as it always been that only a structural change in our basic charter can ensure long term fiscal responsibility and a secure future for our children and grandchildren. This is a matter that remains vital to the economic health of the State of Utah and the Nation.

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

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 7

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

''ARTICLE—

''SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

''SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

''SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

''SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

''SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

''SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

''SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

''SECTION 8. This article shall take effect beginning with fiscal year 2004 or with the second fiscal year beginning after its ratification, whichever is later.''.

SENATE CONCURRENT RESOLUTION 1—EXPRESSING CONGRESSIONAL SUPPORT FOR THE INTERNATIONAL LABOR ORGANIZATION'S DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Mr. MOYNIHAN submitted the following concurrent resolution; which was referred to the Committee on Health, Education, Labor, and Pensions.

S. CON. RES. 1

Whereas the International Labor Organization (in this resolution referred to as the ''ILO'') was created in 1919 by part XIII of the Treaty of Versailles for the purpose of improving labor conditions worldwide;

Whereas for 79 years, the ILO has provided an avenue for nations to improve labor standards in a manner that does not erode their competitive advantage in world commerce;

Whereas the United States has long recognized the linkage between the ILO and world trade, having joined the ILO in 1934, the same year that President Roosevelt and Secretary of State Cordell Hull launched the Reciprocal Trade Agreements program;

Whereas the increasing integration of the global economy has drawn renewed attention to the question of how best to improve labor standards in an economic environment characterized by intensified international competition;

Whereas in 1994, at the conclusion of the first Ministerial Meeting of the World Trade Organization in Singapore, Trade Ministers issued a declaration which reaffirmed the commitment of World Trade Organization members to observe internationally recognized core labor standards and identified the ILO as the ''competent body to set and deal with'' these standards;

Whereas the 174 members of the ILO have recognized the following 7 conventions as protecting core labor standards: Convention No. 29 on Forced Labor (1930), Convention No. 87 on Freedom of Association and Protection of the Right to Organize (1948), Convention No. 98 on the Right to Organize and Collective Bargaining (1949), Convention No. 100 on Equal Remuneration (1950), Convention No. 105 on the Abolition of Forced Labor (1957), Convention No. 111 on Discrimination in Employment and Occupation (1958), and Convention No. 138 on Minimum Age (1973);

Whereas in June 1998, at the conclusion of the 86th International Labor Conference, the ILO adopted the ''Declaration on Fundamental Principles and Rights at Work'', which declares the core labor standards embodied in the 7 conventions to be essential to membership in the ILO; and

Whereas an essential element of the 1998 Declaration is its ''Follow Up Mechanism'', which provides for the monitoring of ILO member countries' compliance with the core labor standards: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the International Labor Organization's Declaration on Fundamental Principles and Rights at Work is an important achievement that may help advance core labor standards in a competitive global economy; and

(2) the President should use all means at the President's disposal to ensure that the Declaration and its Follow Up Mechanism evolve into an effective means of monitoring worldwide compliance with core labor standards.

Mr. MOYNIHAN. Mr. President, I rise to introduce a resolution that notes with approval the International Labor Organization's new Declaration on Fundamental Principles and Rights at Work, which was agreed in June 1998 at the 86th International Labor Conference. This resolution simply urges the prompt and effective implementation of this important Declaration and its monitoring mechanism.

The impact of globalization on working conditions and, indeed, on workers' rights in general, has arisen as an important, and somewhat difficult, issue in the debate over the direction of America's trade policy. In 1997, I suggested to the Administration that they might look to the International Labor Organization for assistance in addressing this matter. After all, the ILO was established in 1919 for the express purpose of providing governments that wanted to do something to improve labor standards with a means of so doing—international conventions—that would not compromise their competitive advantages. I worked with the Administration to incorporate into the President's 1997 fast track proposal language recognizing the important role of the ILO, and in September 1997, the distinguished Chairman of the Finance Committee agreed to include the ILO provisions in his own fast track bill. In July 1998, the Finance Committee updated the bill to reflect its approval of, and hopes for, the new Declaration on Fundamental Principles and Rights at Work and its monitoring mechanism.

In essence, the ILO has bundled together, in a single declaration, four sets of fundamental rights—the core labor standards embodying the broad principles that are essential to membership in the ILO. Having declared that those rights are fundamental, the document then provides for a monitoring system—a ''follow-up'' mechanism, to use the ILO term—to determine how countries are complying with these elemental worker rights.

The four sets of fundamental rights are: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

These rights flow directly from three sources. First, from the ILO Constitution itself, which was drafted by a commission headed by Samuel Gompers of the American Federation of Labor and became, in 1919, part XIII of the Treaty of Versailles. Second, from the immensely important Declaration of Philadelphia, which reaffirmed, at the height of World War II, the fundamental principles of the ILO, including freedom of expression and association and the importance of equal opportunity and economic security. Adopted in 1944, the Declaration of Philadelphia was formally annexed to the ILO Constitution two years later. And, not least, these four groups of core labor standards flow from the seven ILO conventions that are recognized as Core Human Rights Conventions.

These seven conventions are not the highly technical agreements that make up the vast majority of the ILO's 181 conventions. Rather, they directly address the rights of working people. They are Convention No. 29, the Forced Labor Convention of 1930; Convention No. 87, the Freedom of Association and Protection of the Right to Organize Convention of 1948; Convention No. 98, the Right to Organize and Collective Bargaining Convention of 1949; Convention No. 100, the Equal Remuneration Convention of 1951; Convention No. 105, the Abolition of Forced Labor Convention of 1957; Convention No. 111 on Discrimination in Employment and Occupation, which was done in 1958; and Convention No. 138, the Minimum Age Convention of 1973.

They are extraordinary conventions. The Social Summit in Copenhagen in 1995 identified six of these ILO conventions as essential to ensuring human rights in the workplace: Nos. 29, 87, 98, 100, 105, and 111. The United Nations High Commissioner for Human Rights has classified them as ''International Human Rights Conventions.'' The Governing Body of the ILO subsequently added to the list of core conventions Convention No. 138, the minimum age convention, in recognition of the importance of matters relating to child labor. These conventions embody the broad principles that are basic to membership in the ILO.

The Director-General of the World Trade Organization, Renato Ruggiero, was solidly behind the ILO's efforts, as we discussed at length in Geneva during a visit in January 1998. In the end, the tenacity of Secretary of Labor Alexis Herman and her able Deputy Under Secretary for International Labor Affairs Andrew Samet, Abraham Katz, President of the United States Council for International Business, and John Sweeney, President of the AFL-CIO, paid off: the Declaration was approved in June 1998 by an overwhelming margin.

The Declaration can play a useful role in advancing core labor standards if it is carried out with energy and determination. The key will be its follow-up mechanism, and the extent to which that tool evolves into an effective means of monitoring compliance with these fundamental worker rights and securing their enforcement. This may take a period of years, but much good could come of it. The resolution I have introduced today recognizes both the significance of the Declaration and the useful role it could play in addressing workers' concerns about the global economy.

Mr. President, I ask unanimous consent that the full text of the Declaration and its follow-up mechanism be printed in the RECORD.

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

[From the International Labour Conference, 86th Session, Geneva, June 1998]

ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas the ILO should, now more than ever, draw upon all its standard-setting, technical cooperation and research resources in all its areas of competence, in particular employment, vocational training and working conditions, to ensure that, in the context of a global strategy for economic and social development, economic and social policies are mutually reinforcing components in order to create broad-based sustainable development;

Whereas the ILO should give special attention to the problems of persons with special social needs, particularly the unemployed and migrant workers, and mobilize and encourage international, regional and national efforts aimed at resolving their problem, and promote effective policies aimed at job creation;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Whereas the ILO is the constitutionally mandated international organization and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgement in promoting fundamental rights at work as the expression of its constitutional principles;

Whereas it is urgent, in a situation of growing economic interdependence, to reaffirm the immutable nature of the fundamental principles and rights embodied in the Constitution of the Organization and to promote their universal application;

The International Labour Conference,

1. Recalls: (a) that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organization to the best of their resources and fully in line with their specific circumstances;

(b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognized as fundamental both inside and outside the Organization.

2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

(a) freedom of association and the effective recognition of the right to collective bargaining;

(b) the elimination of all forms of forced or compulsory labour;

(c) the effective abolition of child labour; and

(d) the elimination of discrimination in respect of employment and occupation.

3. Recognizes the obligation on the Organization to assist its Members, in response to their established and expressed needs, in order to attain these objectives by making full use of its constitutional, operational and budgetary resources, including by the mobilization of external resources and support, as well as by encouraging other international organizations with which the ILO has established relations, pursuant to article 12 of its Constitution, to support these efforts:

(a) by offering technical cooperation and advisory services to promote the ratification and implementation of the fundamental Conventions;

(b) by assisting those Members not yet in a position to ratify some or all of these Conventions in their efforts to respect, to promote and to realize the principles concerning fundamental rights which are the subject of those Conventions; and

(c) by helping the Members in their efforts to create a climate for economic and social development.

4. Decides that, to give full effect to this Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex hereto, which shall be considered as an integral part of this Declaration.

5. Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

ANNEX—FOLLOW-UP TO THE DECLARATION

I. OVERALL PURPOSE

1. The aim of the follow-up described below is to encourage the efforts made by the Members of the Organization to promote the fundamental principles and rights enshrined in the Constitution of the ILO and the Declaration of Philadelphia and reaffirmed in this Declaration.

2. In line with this objective, which is of a strictly promotional nature, this follow-up will allow the identification of areas in which the assistance of the Organization through its technical cooperation activities may prove useful to its Members to help them implement these fundamental principles and rights. It is not a substitute for the established supervisory mechanisms, nor shall it impede their functioning; consequently, specific situations within the purview of those mechanisms shall not be examined or re-examined within the framework of this follow-up.

3. The two aspects of this follow-up, described below, are based on existing procedures: the annual follow-up concerning nonratified fundamental Conventions will entail merely some adaption of the present modalities of application of article 19, paragraph 5(e) of the Constitution; and the global report will serve to obtain the best results from the procedures carried out pursuant to the Constitution.

II. ANNUAL FOLLOW-UP CONCERNING NONRATIFIED FUNDAMENTAL CONVENTIONS

A. Purpose and scope

1. The purpose is to provide an opportunity to review each year, by means of simplified procedures to replace the four-year review introduced by the Governing Body in 1995, the efforts made in accordance with the Declaration by Members which have not yet ratified all the fundamental Conventions.

2. The follow-up will cover each year the four areas of fundamental principles and rights specified in the Declaration.

B. Modalities

1. The follow-up will be based on reports requested from Members under article 19, paragraph 5(e) of the Constitution. The report forms will be drawn up so as to obtain information from governments which have not ratified one or more of the fundamental Conventions, on any changes which may have taken place in their law and practice, taking due account of article 23 of the Constitution and established practice.

2. These reports, as compiled by the Office, will be reviewed by the Governing Body.

3. With a view to presenting an introduction to the reports thus compiled, drawing attention to any aspects which might call for a more in-depth discussion, the Office may call upon a group of experts appointed for this purpose by the Governing Body.

4. Adjustments to the Governing Body's existing procedures should be examined to allow Members which are not represented on the Governing Body to provide, in the most appropriate way, clarifications which might prove necessary or useful during Governing Body discussions to supplement the information contained in their reports.

III. GLOBAL REPORT

A. Purpose and scope

1. The purpose of this report is to provide a dynamic global picture relating to each category of fundamental principles and rights noted during the preceding four-year period, and to serve as a basis for assessing the effectiveness of the assistance provided by the Organization, and for determining priorities for the following period, in the form of action plans for technical cooperation designed in particular to mobilize the internal and external resources necessary to carry them out.

2. The report will cover, each year, one of the four categories of fundamental principles and rights in turn.

B. Modalities

1. The report will be drawn up under the responsibility of the Director-General on the basis of official information, or information gathered and assessed in accordance with established procedures. In the case of States which have not ratified the fundamental Conventions, it will be based in particular on the findings of the aforementioned annual follow-up. In the case of Members which have ratified the Conventions concerned, the report will be based in particular on reports as dealt with pursuant to article 22 of the Constitution.

2. This report will be submitted to the Conference for tripartite discussion as a report of the Director-General. The Conference may deal with this report separately from reports under article 12 of its Standing Orders, and may discuss it during a sitting devoted entirely to this report, or in any other appropriate way. It will then be for the Governing Body, at an early session, to draw conclusions from this discussion concerning the priorities and plans of action for technical cooperation to be implemented for the following four-year period.

IV. IT IS UNDERSTOOD THAT

1. Proposals shall be made for amendments to the Standing Orders of the Governing Body and the Conference which are required to implement the preceding provisions.

2. The Conference shall, in due course, review the operation of this follow-up in the light of the experience acquired to assess whether it has adequately fulfilled the overall purpose articulated in Part I.

The foregoing is the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up duly adopted by the General Conference of the International Labour Organization during its Eighty-sixth Session which was held at Geneva and declared closed the 18th of June 1998.

IN FAITH WHEREOF we have appended our signatures this nineteenth day of June 1998.

THE PRESIDENT OF THE CONFERENCE,
THE DIRECTOR-GENERAL OF THE
INTERNATIONAL LABOUR OFFICE.

SENATE RESOLUTION 19—EXPRESSING THE SENSE OF THE SENATE THAT THE FEDERAL INVESTMENT IN BIOMEDICAL RESEARCH SHOULD BE INCREASED BY $2,000,000,000 IN FISCAL YEAR 2000

Mr. SPECTER (for himself and Mr. HARKIN) submitted the following resolution; which was referred jointly to the Committee on the Budget and to the Committee on Governmental Affairs:

S. RES. 19

Whereas past investments in biomedical research have resulted in better health, an improved quality of life for all Americans and a reduction in national health care expenditures;

Whereas the Nation's commitment to biomedical research has expanded the base of scientific knowledge about health and disease and revolutionized the practice of medicine;

Whereas the Federal Government represents the single largest contribution to biomedical research conducted in the United States;

Whereas biomedical research continues to play a vital role in the growth of this Nation's biotechnology, medical device, and pharmaceutical industries;

Whereas the origin of many of the new drugs and medical devices currently in use is based in biomedical research supported by the National Institutes of Health;

Whereas women have traditionally been under represented in medical research protocols, yet are severely affected by diseases including breast cancer, which will kill over 43,900 women this year; ovarian cancer which will claim another 14,500 lives; and osteoporosis and cardiovascular disorders;

Whereas research sponsored by the National Institutes of Health is responsible for the identification of genetic mutations relating to nearly 100 diseases, including Alzheimer's disease, cystic fibrosis, Huntington's disease, osteoporosis, many forms of cancer, and immune deficiency disorders;

Whereas many Americans still face serious and life-threatening health problems, both acute and chronic;

Whereas neurodegenerative diseases of the elderly, such as Alzheimer's and Parkinson's disease threaten to destroy the lives of millions of Americans, overwhelm the Nation's health care system, and bankrupt the Medicare and Medicaid programs;

Whereas 4 million Americans are currently infected with the hepatitis C virus, an insidious liver condition that can lead to inflammation, cirrhosis, and cancer as well as liver failure;

Whereas 250,000 Americans are now suffering from AIDS and hundreds of thousands more with HIV infection;

Whereas cancer remains a comprehensive threat to any tissue or organ of the body at any age, and remains a top cause of morbidity and mortality;

Whereas the extent of psychiatric and neurological diseases poses considerable challenges in understanding the workings of the brain and nervous system;

Whereas recent advances in the treatment of HIV illustrate the promise research holds for even more effective, accessible, and affordable treatments for persons with HIV;

Whereas infants and children are the hope of our future, yet they continue to be the most vulnerable and under served members of our society;

Whereas approximately one out of every six American men will develop prostate cancer and over 49,200 men will die from prostate cancer each year;

Whereas diabetes, both insulin and non-insulin forms, afflict 15.7 million Americans and places them at risk for acute and chronic complications, including blindness, kidney failure, atherosclerosis and nerve degeneration;

Whereas the emerging understanding of the principles of biometrics have been applied to the development of hard tissue such as bone and teeth as well as soft tissue, and this field of study holds great promise for the design of new classes of biomaterials, pharmaceuticals, diagnostic and analytical reagents;

Whereas research sponsored by the National Institutes of Health will map and sequence the entire human gnome by 2005, leading to a new era of molecular medicine that will provide unprecedented opportunities for the prevention, diagnoses, treatment, and cure of diseases that currently plague society;

Whereas the fundamental way science is conducted is changing at a revolutionary pace, demanding a far greater investment in emerging new technologies, research training programs, and in developing new skills among scientific investigators; and

Whereas most Americans show overwhelming support for an increased Federal investment in biomedical research: Now, therefore, be it

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the ''Biomedical Revitalization Resolution of 1998''.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that funding for the National Institutes of Health should be increased by $2,000,000,000 in fiscal year 2000 and that the budget resolution appropriately reflect sufficient funds to achieve this objective.

Mr. SPECTER. Mr. President, I have sought recognition today for the purpose of submitting a resolution calling for the Budget Committee to add $2 billion in the health account for the National Institutes of Health in fiscal year 2000. I am convinced that National Institutes of Health are the crown jewel of the Federal Government and they have made tremendous progress in conducting research into the causes and cures for disease. My vision for America in the 21st Century is to find the cure for cancer, for Alzheimer's, for Parkinson's, for the severe mental illnesses, for diabetes, for osteoporosis, and for heart cardiovascular disease. All of this is within our reach if we make the proper allocation of our resources.

As Chairman of the Appropriations subcommittee for Labor, Health and Human Services, Education and Related Agencies, I am firmly committed to prioritizing our resources in order to provide maximum funding for biomedical research. Funding for the National Institutes of Health has been increased steadily during my tenure in the Senate, regardless of who was chairing the subcommittee. Although the budgets were always tight and frequently had cuts called for by the administration, when the chairman was Senator Weicker, when the chairman was Lawton Chiles, when the chairman was TOM HARKIN, or more recently under my chairmanship, we have increased the funding tremendously. And the National Institutes of Health has responded with extraordinary advances in research. Now the work has to be pushed forward to see exactly what can be accomplished in the next century.

On May 21, 1997, the Senate passed a Sense of the Senate resolution submitted by our distinguished colleague, Senator MACK, which stated that funding for the National Institutes of Health should be doubled over five years. Regrettably, even though that resolution was passed by an overwhelming vote of 98 to nothing, when the budget resolution was returned, the appropriate health account had a reduction of $100 million. That led to the introduction of an amendment to the budget resolution by Senator HARKIN and myself, Senator HARKIN being my distinguished colleague and ranking member of the subcommittee which I chair. We sought to add in $1.1 billion to carry out the expressed sense of the Senate. Our amendment, however, was defeated 63–37. While the Senate had expressed its druthers on a resolution, when it came to the dollars they simply were not there.

During debate on the fiscal year 1999 Budget Resolution, Senator HARKIN and I again introduced an amendment which called for a funding increase for the National Institutes of Health of $2 billion and provided sufficient resources in the budget to accomplish this. While we gained more support on this vote than in the previous year, unfortunately our amendment was again defeated, this time by a vote of 57–41.

In order to provide the necessary resources for biomedical research, Senator HARKIN have worked closely together to find these vital funds. In the past few years, Senator HARKIN and I have consolidated and eliminated 135 programs to enable us to save $1.5 billion. It's pretty hard to eliminate a program in Washington, DC but we have been able to do that. We used the $1.5 billion to provide to the National Institutes of Health, guaranteed student loans, and many other important programs. Last year, Senator HARKIN and I again went to work with our subcommittee and we were able, by making economies and establishing priorities, to add an additional $2 billion to the NIH account, the largest increase in history. We, however, still have a long way to go if we are to meet our goal of doubling the funding over five years.

Our investment has resulted in tremendous advances in medical research. A new generation of AIDS drugs are reducing the presence of the AIDS virus in HIV affected persons to nearly undetectable levels. Death rates from cancer have begun a steady decline. Human genome research has yielded dramatic developments in uncovering genes associated with a host of diseases, such as breast and prostate cancer, Alzheimer's disease, cystic fibrosis, and schizophrenia.

I personally have been the beneficiary of the tremendous advances of the National Institutes of Health. Two decades ago, there was no such thing as an MRI. That device detected a problem for me. And other advances led to good results for me. I know millions of people have benefited from the research and the investment which we have made in the National Institutes of Health. But that takes money, and that is why this resolution is being offered—to call upon the Budget Committee to add in $2 billion so we can carry forward the important work of the National Institutes of Health.

SENATE RESOLUTION 20—TO RENAME THE COMMITTEE ON LABOR AND HUMAN RESOURCES THE COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS (for himself and Mr. KENNEDY) submitted the following resolution; which was considered and agreed to:

S. RES. 20

Resolved, That the Committee on Labor and Human Resources is hereby redesignated as the Committee on Health, Education, Labor, and Pensions.

SENATE RESOLUTION 21—CONGRATULATING THE UNIVERSITY OF TENNESSEE VOLUNTEERS FOOTBALL TEAM ON WINNING THE 1998 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION DIVISION I–A FOOTBALL CHAMPIONSHIP

Mr. FRIST (for himself and Mr. THOMPSON) submitted the following resolution; which was considered and agreed to:

S. RES. 21

Whereas the University of Tennessee Volunteers football team (referred to in this resolution as the ''Tennessee Volunteers'') defeated the Florida State University Seminoles on January 4, 1999, at the Fiesta Bowl in Tempe, Arizona, to win the National Collegiate Athletic Association Division I–A football championship;

Whereas the Tennessee Volunteers completed the 1998 football season with a perfect record of 13 wins and 0 losses;

Whereas the Tennessee Volunteers defeated the Mississippi State University Bulldogs to claim the 1998 Southeastern Conference football championship;

Whereas the Tennessee Volunteers' Coach Phillip Fulmer, his staff, and his players displayed outstanding dedication, teamwork, selflessness, and sportsmanship throughout the course of the season to achieve collegiate football's highest honor; and

Whereas the Tennessee Volunteers have brought pride and honor to Tennessee: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the University of Tennessee Volunteers football team on winning the 1998 National Collegiate Athletic Association Division I–A football championship; and

(2) commends the University of Tennessee Volunteers football team for its pursuit of athletic excellence and its outstanding accomplishment in collegiate football in winning the championship.

SENATE RESOLUTION 22—NATIONAL PEACE OFFICERS MEMORIAL DAY RESOLUTION

Mr. CAMPBELL (for himself, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. BIDEN, Mr. BINGAMAN, Mr. BROWNBACK, Mr. BRYAN, Mr. BURNS, Mr. CLELAND, Mr. COVERDELL, Mr. CRAIG, Mr. DASCHLE, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. ENZI, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. KENNEDY, Mr. KERREY, Mr. LEAHY, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SPECTER, Mr. STEVENS, Mr. THURMOND, Mr. TORRICELLI, Mr. WARNER, Mr. WELLSTONE, and Mr. CRAPO) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 22

Whereas the well-being of all citizens of this country is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 700,000 men and women, at great risk to their personal safety, presently serve their fellow citizens in their capacity as guardians of peace;

Whereas peace officers are the front line in preserving our childrens' right to receive an education in a crime-free environment that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 158 peace officers lost their lives in the performance of their duty in 1998, and a total of nearly 15,000 men and women have now made that supreme sacrifice;

Whereas every year 1 in 9 officers is assaulted, 1 in 25 officers is injured, and 1 in 4,400 officers is killed in the line of duty; and

Whereas, on May 15, 1999, more than 15,000 peace officers are expected to gather in our Nation's Capital to join with the families of their recently fallen comrades to honor them and all others before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 1999, Peace Officers Memorial Day, in honor of Federal, State, and local officers killed or disabled in the line of duty; and

(2) calls upon the people of the United States to observe this day with the appropriate ceremonies and respect.

Mr. CAMPBELL. Mr. President, today I am joined with my colleagues in submitting this resolution to keep alive in the memory of all Americans, the sacrifice and commitment of those men and women who lost their lives while serving as law enforcement officers. Specifically, this resolution would designate May 15, 1999, as National Peace Officers Memorial Day.

Currently, more than 700,000 men and women who serve this nation as our guardians of law and order do so at a great risk. Every year, about 1 in 9 officers is assaulted, 1 in 25 officers is injured, and 1 in 4,400 officers is killed in the line of duty. There are few communities in this country that have not been impacted by the senseless death of a police officer.

In 1998, over 158 federal, state and local law enforcement officers have given their lives in the line of duty and nearly 15,000 men and women have made that supreme sacrifice. And, our Capitol community as well as the nation were shocked and saddened last year by the tragic and senseless shooting of Capitol Police Officer Jacob Chestnut and Special Agent John Gibson.

According to National Law Enforcement Officers Memorial Fund Chairman Craig W. Floyd,

Since crime began its steady downward slide in 1992, more than 1,100 federal, state and local law enforcement officers have lost their lives in the performance of duty. That averages out to 158 police deaths each year, or one officer killed somewhere in America roughly every 54 hours.

As a former deputy sheriff, I know first-hand the risks which law enforcement officers face every day on the front lines protecting our communities. Last year for example, in Cortez, Colorado, police officer Dale Claxton was fatally shot through the windshield of his patrol car after stopping a stolen truck. Officer Claxton was tragically and prematurely taken away from his wife and four children. Today, two of the three suspects are still at large, even after an extensive manhunt.

On May 15, 1999, more than 15,000 peace officers are expected to gather in our Nation's Capital to join with the families of their fallen comrades, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities and, in doing so, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

Mr. President, I urge my colleagues to join us in supporting this important resolution.

I ask unanimous consent that letters of support be printed in the RECORD.

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

INTERNATIONAL BROTHERHOOD OF POLICE OFFICERS,
Alexandria, VA, January 5, 1999.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR CAMPBELL: The International Brotherhood of Police Officers (IBPO) is an affiliate of the Service Employees International Union. The IBPO is the largest police union in the AFL–CIO.

On behalf of the over 50,000 members of the IBPO, including IBPO Local 516, Fountain, Colorado I want to thank you for introducing a Joint Resolution to designate May 15, 1999, as National Peace Officers Memorial Day.

Each year, more than 10,000 police officers, survivors and supporters attend the activities revolving around Peace Officers Memorial Day Washington, DC. Officers develop close bonds with their colleagues from across the country. Survivors gain strength from others who have experienced and understand their grief.

The entire membership of the IBPO looks forward to working with you on this important matter.

Once again, thank you for your continued support of law enforcement community.

Sincerely,

KENNETH T. LYONS,
National President.

FEDERAL LAW ENFORCEMENT OFFICERS ASSOCIATION,
East Northport, NY, January 8, 1999.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senator,
Washington, DC.

DEAR SENATOR CAMPBELL: On behalf of the over 15,000 members of the Federal Law Enforcement Officers Association (FLEOA), I wish to express our strong support for the resolution you intend to introduce to the 106th Congress regarding National Peace Officers Memorial Day. FLEOA is proud to stand with you on this legislation.

FLEOA is a non-partisan professional association representing federal agents from the

agencies listed on the left masthead. We have local chapters all across the United States and several overseas. Each year, on May 15, all across America, federal agents stand with their law enforcement officer brethren and remember those from our ranks who gave their lives in the line of duty. FLEOA has been on the Executive Board of the National Law Enforcement Officers Memorial, located in Washington, DC, since its inception. As inscribed on the Memorial Wall, next to the names of the heros and heroines, are these words: ''It is not how these officers died that made them heroes; it is how they lived.'' Your resolution will make sure their sacrifice, once again, will be observed all across our great nation.

FLEOA is calling for all of our elected officials to cosponsor your resolution. We look forward to working on this and other issues with you and your staff. Thank you for all your efforts for law enforcement.

RICHARD J. GALLO.

NATIONAL ASSOCIATION
OF POLICE ORGANIZATIONS, INC.,
Washington, DC, January 13, 1999.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate, Washington, DC.

DEAR SENATOR CAMPBELL. Let me first take this opportunity to congratulate you on your successful reelection to the United States Senate. Thank you for your hard work and consistent commitment to the law enforcement community.

On behalf of the National Association of Police Organizations (NAPO), representing more than 4,000 unions and associations and over 220,000 sworn law enforcement officers, I want to express our wholehearted support for a Joint Resolution to designate May 15, 1999, as National Peace Officers' Memorial Day.

Every year, for one week during the month of May, the law enforcement community pays tribute and honors the fallen heroes who have paid the ultimate sacrifice at the National Law Enforcement Officers Memorial. Serving on the Board of Directors at the National Law Enforcement Officers Memorial Fund and as a former Detroit police officer for twenty-five years, I truly appreciate a day for all Americans to recognize and commemorate with surviving family members, those who have lost their lives in the line of duty.

Every day law enforcement officers put their lives on the line to serve and protect our communities. Over the past few years, we have experienced a steady decrease in violent crime rates throughout our neighborhoods and cities. However, this does not come at a small price. In 1998, 155 of our Nation's finest lost their lives protecting the citizens of this county. We need to honor and remember these outstanding men and women every year.

Thank you for your dedication in advancing the interests of the law enforcement community. I look forward to working with you in the 106th Congress. Please let me know if I can be of any assistance in the future.

Sincerely,

ROBERT T. SCULLY,
Executive Director.

SENATE RESOLUTION 23—CONGRATULATING MICHAEL JORDAN ON THE ANNOUNCEMENT OF HIS RETIREMENT FROM THE CHICAGO BULLS AND THE NATIONAL BASKETBALL ASSOCIATION

Mr. DURBIN (for himself and Mr. FITZGERALD) submitted the following resolution:

S. RES. 23

Whereas Michael Jeffrey Jordan has announced his retirement from basketball after 13 seasons with the Chicago Bulls;

Whereas Michael Jordan helped make the long, hard winters bearable for millions of Chicagoans by leading the Chicago Bulls to 6 National Basketball Association Championships during the past 8 years, earning 5 NBA Most Valuable Player awards, and winning 10 NBA scoring titles;

Whereas Michael Jordan and his Olympic teammates thrilled basketball fans around the world by winning gold medals at the 1984 and 1992 Olympic Games;

Whereas Michael Jordan has demonstrated an unsurpassed level of professionalism during his athletic career and has served as a role model to millions of American children by demonstrating the qualities that mark a true champion: hard work, grace, determination, and commitment to excellence;

Whereas Michael Jordan taught us to have the courage to follow our dreams by striving to play baseball for the Chicago White Sox;

Whereas Michael Jordan demonstrated the importance of pursuing an education by earning a bachelor of arts degree from the University of North Carolina at Chapel Hill;

Whereas Michael Jordan continues to contribute to our communities through his support for the James R. Jordan Boys & Girls Club and Family Life Center in Chicago, the Jordan Institute for Families at his alma mater, and the Ronald McDonald Houses of Greenville, Chapel Hill, Durham, and Winston-Salem, North Carolina, for families of seriously ill children who are being treated at nearby hospitals; and

Whereas Michael Jordan will take on new challenges in his life with the same passion and determination that made him the greatest basketball player ever to have lived: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates Michael Jordan on his retirement from the Chicago Bulls and professional basketball; and

(2) expresses its wishes that Michael Jordan enjoy his life after basketball with his wife, Juanita, and their 3 children, Jeffrey, Marcus, and Jasmine.

SENATE RESOLUTION 24—EXPRESSING THE SENSE OF THE SENATE THAT THE INCOME TAX SHOULD BE ELIMINATED AND REPLACED WITH A NATIONAL SALES TAX

Mr. LUGAR submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 24

Whereas the savings level in the United States has steadily declined over the past 25 years, and lagged behind the industrialized trading partners of the United States;

Whereas the economy of the United States cannot achieve strong, sustained growth without adequate levels of savings to fuel productive activity;

Whereas the income tax, the accompanying capital gains tax, and the estate and gift tax discourage savings and investment;

Whereas the methods necessary to enforce the income tax infringe on the privacy of the citizens of the United States and, according to the Tax Foundation, divert an estimated $225,000,000,000 of taxpayer resources to comply with income tax rules and regulations;

Whereas the Internal Revenue Service estimates that each year it fails to collect 17 per centum, or $127,000,000,000, of the income tax owed to the Federal Government;

Whereas the income tax system employs a withholding mechanism that limits the transparency of Federal taxes;

Whereas the most effective tax system is one that promotes savings, fairness, simplicity, privacy, border adjustability, and transparency;

Whereas it is estimated that the replacement of the income tax system with a national sales tax would cause the savings rate of Americans to substantially increase;

Whereas the national sales tax would achieve fairness by employing a single tax rate, taxing the underground economy, and closing loopholes and deductions;

Whereas the national sales tax would achieve simplicity by eliminating record-keeping for most taxpayers and greatly reducing the number of collection points;

Whereas the national sales tax would be the least intrusive tax system because most taxpayers would not be required to file returns or face audits from the Internal Revenue Service;

Whereas the national sales tax is border adjustable and would place exporting by Americans on a level playing field with the foreign competitors of the United States;

Whereas a national sales tax is a transparent tax system that would raise Americans' awareness of the cost of the Federal Government; and

Whereas a national sales tax would best achieve the goals of an effective tax system: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the income tax system, both personal and corporate, the estate and gift tax, and the accompanying capital gains tax be replaced with a broad-based, single-rate national sales tax on goods and services;

(2) the national sales tax rate be set at a level that raises an equivalent level of revenue as the income taxes replaced;

(3) the Federal Government work with the States to develop a State-based system to administer the national sales tax and that States be adequately compensated for such administration; and

(4) the Congress and States work together in an effort to repeal the sixteenth amendment of the United States Constitution.

Mr. LUGAR. Mr. President, I am pleased to submit a Senate resolution expressing the sense of the Senate that the income tax system be abolished and replaced with a broad-based consumption tax on goods and services.

I supported IRS reform legislation passed last Congress and will continue to work within the confines of our tax system to improve it. However, the fundamental flaws of the income tax system remain. I strongly believe that Congress should abolish the income tax system in its entirety and begin anew.

The problems of the income tax are well documented. By taxing savings and investment at least twice, the income tax has become the biggest impediment to economic growth in the country. Each year it costs Americans more than 5 billion hours of time to comply with it. The system is unfair and riddled with loopholes. It favors foreign imports and discourages American exports. As witnesses testified before Congress last year, the IRS regularly violates the privacy rights of individuals while enforcing the income tax. And finally, the system doesn't work. By its own admission, the Internal Revenue Service fails to collect from nearly 10 million taxpayers, with an estimated $127 billion in uncollected taxes annually. Anything this broken should be ended decisively.

One can evaluate a tax system using many criteria. It must be: (1) simple, (2) the least intrusive, (3) fair, (4) transparent, (5) border adjustable, and (6) friendly to savings and investment. I have studied tax reform proposals with these six factors in mind. Many are better than the current income tax. But if we are going to overhaul our tax system, we should choose the one that meets these criteria. I have concluded that a national sales tax is the best alternative.

An effective tax system should be simple. Under a national sales tax, the burden of complying with the income tax code would be lifted. There would be no records to keep or audits to fear. According to the Tax Foundation, businesses and individuals spend more than $225 billion to comply with the Tax Code. Under a national sales tax, compliance costs would drop by 90 percent. More than 100 million individuals who currently file taxes would be dropped from the tax rolls. With a national sales tax, the money individuals earned would be their own. Its your decision to save it, invest it, or give it to your children. It is only when you buy something that you are taxed.

The national sales tax is the least intrusive of the tax proposals. The IRS would be substantially dismantled. The IRS would no longer look over the shoulders of every taxpayer. Americans would not waste time and effort worrying about recordkeeping, deductions, or exemptions that are part of the current Tax Code.

The national sales tax is the fairest alternative. Everyone pays the tax including criminals, illegal aliens, and others who currently avoid taxation. Wealthy Americans with lavish spending habits would pay substantial amounts of taxes under the national sales tax. Individuals who save and invest their money will pay less. Gone are the loopholes and deductions that provide advantages to those with the resources to shelter their income.

The national sales tax would also tax the underground economy. When criminals consume the proceeds of their activities, they will pay a tax. Foreign tourists and illegal aliens will pay the tax. Tax systems that rely on income reporting will never collect any of this potential revenue.

Of course, the fairness test must likewise consider those with limited means to pay taxes. Like the income tax system, a national sales tax can and should be constructed to lessen the tax burden on those individuals with the least ability to pay. One strategy for addressing this problem would exempt a threshold level of goods and services consumed by each American from the federal sales tax. Another strategy is to exempt items such as housing, food or medicine. I am committed to designing a tax system that does not fall disproportionately on the less fortunate.

The national sales tax is the most transparent. A federal tax that is evident to everyone would bolster efforts in Congress to achieve prudence in federal spending. There should be no hidden corporate taxes that are passed on to consumers or withholding mechanisms that mask the amount we pay in taxes. Harvard economist Dale Jorgenson estimates that the corporate income tax and its compliance costs increase the cost of goods by 20 to 25 percent. The national sales tax would bring all these hidden costs into the sunshine. Every year the public and Congress should openly debate the tax rate necessary for the federal government to meet its obligations. If average Americans are paying that rate every day, they will make certain that Congress spends public funds wisely.

American exports would also benefit from the enactment of a national sales tax. We must adopt a tax system that encourages exports. Most of our trading partners have tax systems that are border adjustable. They are able to strip out their tax when exporting their goods. In comparison, the income tax is not border adjustable. American goods that are sent overseas are taxed twice—once by the income tax and once when they reach their destination. In comparison, the national sales tax would not be levied on exports. It would place our exports on a level playing field with those of our trading partners.

But the last and most imperative reason for replacing the income tax with a national sales tax is that it would energize our economy by encouraging savings. The bottom line is that as a nation, we do not save enough. Savings are vital because they are the source of all investment and productivity gains—savings supply the capital for buying a new machine, developing a new product or service, or employing an extra worker.

The Japanese save at a rate nine times greater than Americans, and the Germans save five times as much as we do. Today, many believe that Americans inherently consume beyond their means and cannot save enough for the future. Few realize that before World War II, before the income tax system developed into its present form, Americans saved a larger portion of their earnings than the Japanese.

A national sales tax would reverse this trend by directly taxing consumption and leaving savings and investment untaxed. Economists agree that a broad-based consumption tax would increase our savings rate substantially. Economist Laurence Kotlikoff of Boston University estimates that our savings rate would more than triple in the first year. Economist Dale Jorgenson of Harvard University has concluded that the United States would have experienced one trillion dollars in additional economic growth if it had adopted a consumption tax like the national sales tax in 1986 instead of the current system.

As I have outlined here today, I believe the national sales tax is the best tax system to replace the income tax. If we enact a tax system that encourages investment and savings, billions of dollars of investment will flow into our country. This makes sense—America has the most stable political system, the best infrastructure, a highly educated workforce and the largest consumer market in the world. Our economic growth and prosperity would be unsurpassed. I am committed to bringing this message of hope to all Americans, and I look forward to working with my colleagues on advancing this important endeavor.

SENATE RESOLUTION 25—TO REFORM THE BUDGET PROCESS BY MAKING THE PROCESS FAIRER, MORE EFFICIENT, AND MORE CLEAN

Mr. MCCAIN (for himself and Mr. KYL) submitted the following resolution; which was referred to the Committee on Rules and Administration.

S. RES. 25

SECTION 1. REQUIREMENT OF AUTHORIZATION FOR PROGRAMS OVER $1,000,000.

(a) IN GENERAL.—Paragraph 1 of rule XVI of the Standing Rules of the Senate is amended by inserting ''in excess of $1,000,000,'' after ''new item of appropriation,''.

(b) 60 VOTE POINT OF ORDER.—Rule XVI of the Standing Rules of the Senate is amended by adding at the end the following:

''9. Paragraph 1 may be waived or suspended only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph 1.''.

SEC. 2. PROCEEDING TO APPROPRIATIONS BILLS IN THE SENATE.

Rule XVI of the Standing Rules of the Senate is amended by adding at the end the following:

''10. On any day after June 30 of a calendar year, a motion to proceed to the consideration of an appropriations measure shall be decided without debate.''.

ADDITIONAL STATEMENTS

OPENNESS ON THE IMPEACHMENT TRIAL

• Mr. FEINGOLD. Mr. President, I rise today in strong support of opening Senate deliberations to the public during the course of the impeachment trial against President Clinton. I will therefore support the motion to be offered by Senators HARKIN and WELLSTONE to suspend the rules in order to open these proceedings to public scrutiny.

In this trial, the United States Senate is charged by the Constitution with deciding whether to remove from office a President twice elected by the American people. Although I am certain that every member of the Senate will undertake this Constitutional responsibility with the utmost gravity and perform ''impartial justice'' as our oath commands, I am concerned that the American people will be shut out of this process at some of its most crucial moments.

America's great experiment in democracy trusts the people to elect a President in a process that consists of months of public discussion, primaries, caucuses, debates, and finally an election open to everyone who chooses to participate. In stark contrast, the Senate's rules preclude the public from seeing its deliberations on whether an impeachment case will be dismissed, whether witnesses will be called or further evidence introduced, and even the ultimate debate regarding the guilt or innocence of the President. In short, Mr. President, the Constitution trusts the people to elect a President, but our current Senate impeachment rules do not trust them to have even the most passive involvement in our deliberative process, even when the debate might result in overturning the people's judgment in a national election.

Let me take a moment to describe again for my colleagues how our current impeachment rules work. The Senate is not only the trier of fact in this case, but it also acts as the ultimate arbiter of law. It can overturn the Chief Justice's rulings on evidentiary questions and make decisions, which cannot be appealed to any court, on motions. But the Senate's impeachment rules, which were first drafted in connection with the Andrew Johnson impeachment and most recently revisited in 1986, do not permit the Senate to debate any of the decisions that it must make, except in closed session. In fact, the rules provide that decisions on evidentiary rulings are to be made with no debate whatsoever.

Other motions can be debated, but only in private. So, for example, we expect that after the presentations are made on both sides, a motion will be made to dismiss the case against the President. Under our current rules, the House managers and the President's lawyers will argue that motion, but the Senate cannot debate it in open session. In fact, if a majority of the Senate wants to preclude debate entirely, it can do that by simply voting against a motion to take the Senate into private session for deliberations. Thus, before we vote on what could be a dispositive motion in this case, our only options are to discuss it behind closed doors or not discuss it at all.

I think this is wrong. We need a chance to debate this motion as Senators. I want to hear from my colleagues before I vote, not just afterward on television. I intend to carefully and respectfully entertain my colleagues' arguments, and I refuse to rule out the possibility that a well-reasoned argument offering a different perspective will influence my decision. But the American people also deserve to hear what we say to each other as we debate this motion. I see little to be gained from closing these deliberations and much to be lost. We must do everything we can to ensure public confidence in our fairness and impartiality. How can we expect the public to have faith in us if we close the doors at the very moment when we finally will speak on the dispositive questions of this historic trial?

Opponents of openness argue that in the only Presidential impeachment trial in our Nation's history, that of Andrew Johnson, the Senate's deliberations were closed. While it may be tempting to rely on the precedent of the one previous Presidential impeachment trial, which occurred one-hundred and thirty years ago, I believe we should take a fresh look at this issue. In particular, we should consider how drastically the rules of the Senate and the composition of the Senate have changed.

The Senators who presided over President Johnson's impeachment were not elected by the American people directly, but were chosen by the various state legislatures, and thus were not directly responsive to the popular will. Today, we as Senators represent the citizens of our state directly and we are accountable to them at the ballot box. Furthermore, until 1929, the Senate debated nominations and treaties in closed sessions; and until 1975, many committee sessions took place in private. Today, all of our proceedings are open to the public, except in rare cases involving national security. The rules governing membership in the Senate as well as the openness of Senate proceedings have consistently evolved throughout our history toward greater public involvement. The rules governing impeachment trial deliberations must move in that direction as well.

Opening these proceedings as Senators HARKIN and WELLSTONE have proposed will make the American public feel more involved in the process. With the percentage of voters who cast their ballot on election day declining in each succeeding election and polls showing that the public feels increasingly alienated from the political process; and with people openly questioning the relevance of their elected representatives and the Congress as a whole to their daily lives, we must lay open to the American people our deliberations on the most crucial decision short of declaring war that the Constitution ultimately entrusts to us. Democracy can only flourish when the people feel that they have a stake in the process. Conducting our impeachment deliberations in private sends the message that when the really important decisions need to be made, the American public is not welcome to observe. This is precisely the wrong message to send.

Thus far in the impeachment process, there has been little to celebrate. Most Americans have concluded that the House of Representative's inquiry was plagued by partisanship. Many fear that the Senate will do the same. With the eyes of the country upon it, the Senate has an opportunity to restore America's trust in the constitutional process. Open deliberations will enhance the public's understanding and discussion of this case. It may even serve to chip away some of the pervasive cynicism in our country as Americans watch how their elected representatives conduct themselves during consideration of the articles. I trust that my colleagues will reach their decisions on the merits after careful, reasoned and informed consideration of the evidence and the arguments presented. If my trust in my colleagues is justified, our deliberations will be thoughtful, high-minded, vigorous, and non-partisan. And if we have that deliberation in the open, it will be remembered as one of the Senate's finest hours.•

KAYANN ELIZABETH HAYDEN

• Mr. COVERDELL. Mr. President, I rise today to commend Kayann Elizabeth Hayden for her commitment to excellence in academics and as an outstanding young person. Kayann is a senior at Gilmer High School in her hometown of Ellijay, Georgia. Throughout Kayann's schooling, she has maintained an A average and is President of the Beta Club. Her peers have voted her Most Likely To Succeed Senior Superlative for 1998–1999 school year.

In addition to maintaining an outstanding academic record, Kayann has been involved in several sports, organizations, and other extracurricular activities. Currently serving as senior class president, she has been a leader in

student government. Kayann is also a member of the Gilmer High 4–H and the Future Homemakers of America where she is Co-President of the local chapter. In sports, she participated on the high school cross country and track teams. Finally, she was named Miss Apple for the 1994–1995 Gilmer County Apple Festival Pageant and Miss Apple Princess for the 1995–1996 Pageant.

Kayann's commitment to excellence also extends to the community. She is a student member of the Gilmer Teen Pregnancy Awareness Board as well as an active member of First Baptist Church in Ellijay, Georgia. She has volunteered for the Gilmer County Chamber of Commerce, American Cancer Association's Relay for Life, and the Gilmer Arts and Heritage Association.

Once again, Mr. President, I would like to thank Kayann Elizabeth Hayden for her commitment to both academic and civic excellence. As we discuss possible education reform, we can use Kayann as a model for the type of student our schools should be producing.●

CLARK CLIFFORD

● Mr. MOYNIHAN. Mr. President, at a time when we risk the ever coarsening of our public affairs, we would do well to remember a man whose service to this country was distinguished as no other for civility and elegance. I ask that this tribute to Clark M. Clifford by Sander Vanocur be printed in the RECORD.

The tribute follows.

TRIBUTE TO CLARK CLIFFORD

(By Sander Vanocur)

The following anonymous poem was sent to Clark Clifford's daughters, Joyce and Randall, by their sister, Faith, who could not be here today:

Think of stepping on shore
and finding it Heaven,
Of taking hold of a hand
and finding it God's,
Of breathing new air,
and finding it celestial air,
Of feeling invigorated
and finding it immortality,
Of passing from storm and tempest
to an unbroken calm,
Of waking up,
and finding it Home.

In the secular sense, Clark Clifford found that home in Washington more than fifty years ago. And having found that home, let it be said that while he was here, he graced this place.

It was a much different place when he and Marny came here, smaller in size but larger in imagination, made larger in imagination by World War II. It may have been, then and for a good time after, as John F. Kennedy once noted, a city of Southern efficiency and Northern charm. But it was also, at least then, a place where dreams could be fashioned into reality. Being an intensely political city, dreams, as always, had to be fashioned by reality. And it was in this art of political compromise where Clark Clifford flourished. He was known as the consummate Washington insider. Quite often the term was used in the pejorative sense. It should not have been. If you believe as he did in what George Orwell meant when he wrote that in the end everything is political, it should be a case for celebration rather than lamentation that he played the role, for if he had not played this role who else of his generation could have played it quite so well, especially when the time came to tell a President of the United States, who was also a very old friend, that the national interests of this nation could no longer be served by our continuing involvement in Vietnam?

We know of his public triumphs. Some of us also know of his personal kindnesses. Many years ago, at a very bleak period in both my personal and professional life—you know in this city it is bleak when your phone calls are not returned by people you have known for years—there were two individuals in this city who faithfully returned my calls. One was Ben Bradlee. The other was Clark Clifford. When Clark first invited me to his office during this bleak period to offer encouragement and guidance, he closed the door, took no phone calls, sat behind his desk, his hands forming the legendary steeple and listened and advised. On that first visit to his office I looked down on his desk where there appeared to be at least fifty messages, topped by what seemed to be inaugural medallions. I thought to myself on that first visit that Clark Clifford had put the word on hold just to listen to me. But the third time I came to his office, it occurred to me that it was just possible those messages had been there for twenty years.

Clark Clifford's final years were not what he would have wished for himself nor what his friends would have wished for him and his family. They seemed to echo the first lines in Chapter Nine of Henry Adams' novel "Democracy," perhaps the best novel ever written about this city. The lines are: "Whenever a man reaches to the top of the political ladder, his enemies unite to pull him down. His friends become critical and exacting." On this occasion, I cannot speak of his enemies, but I can say that his friends will not be critical or exacting. We will think, instead, of Othello's words just before he dies:

Soft you; a word or two before you go.
I have done the state some service, and they know it—
No more of that. I pray you, in your letters,
When you shall these unlucky deeds relate.
Speak of me as I am; nothing extenuate,
Nor set down aught in malice.

We who loved Clark Clifford will do that and more. We will say now and henceforth: Clark Clifford did the state some service and we know it.●

TRIBUTE TO DEAN CALDWELL

● Mr. COCHRAN. Mr. President, I am pleased to bring to the attention of Senators the retirement of Dean Caldwell, Civilian Deputy to the President of the Mississippi River Commission.

Mr. Caldwell has accumulated over 37 years of Federal Service, 23 of which have been at the Mississippi Valley Division and the Mississippi River Commission of the Corps of Engineers. The Corps of Engineers has undergone several reorganizations and restructures over the past few years, during which Dean Caldwell's experience and dedication have ensured that the mission of the Corps has not been compromised.

Mr. Caldwell oversaw the integration of two new Corps of Engineers districts into the new Mississippi Valley Division in April, 1997. In addition, he has served as the Congressional Liaison for the Mississippi Valley Division. In this capacity, he has ensured that federal legislation has served the interests of the entire Mississippi Valley.

He has been recognized for his outstanding career, receiving the Army's decoration for meritorious civilian service and the Earnest P. Blankenship Engineer/Scientist Award.

I know that the Senate joins me in thanking Dean for his years of distinguished service and in extending our best wishes to him in retirement.●

SUPERVISOR ANDREA MEAD LAWRENCE

● Mrs. BOXER. Mr. President, today I would like to honor Andrea Mead Lawrence, who is retiring from the Mono County Board of Supervisors after 16 years of distinguished service to her constituents.

Andrea personifies the great American tradition of public service that is the backbone of our governmental system. As a County Supervisor, she was a member of the Great Basin Unified Air Pollution District since 1984, serving as its chairman in 1989, 1993 and 1996. She played a key role in that capacity in the negotiations with the City of Los Angeles that will lead to reversing the worst particulate air pollution problem in the United States, caused by the dry bed of Owens Lake in Southern Inyo County.

She also successfully worked with others for the restoration of Mono Lake and its priceless ecosystem. In that and other efforts, she testified before Congress in support of creation of the Mono Basin National Forest Scenic Area to save Mono Lake. Over the years she also testified before Congress on behalf of the Bodie Protection Act, the San Joaquin Wilderness Act, and the California Desert Protection Act. Andrea was the founder of Friends of Mammoth, a citizen's advocacy group that was formed to fight environmentally damaging development in the Town of Mammoth Lakes, her home. She also founded the Southern Mono Historical Society.

Understanding that regional problems require grassroots and local involvement to bring effective long term solutions, Andrea was a co-founder and Past President of the Sierra Nevada Alliance, a group dedicated to the preservation of the "Range of Light" and its economy.

Her public involvement is seemingly endless and certainly on going. Early in her career she distinguished herself as a member of the United States Olympic Ski Team in 1948, 1952, and

1956. In 1952 she won two Olympic Gold Medals in the Slalom and Giant Slalom in the Olympic Games in Oslo, Norway.

Andrea Mead Lawrence exemplifies so much that is good in America. I wish her and her family all the best as she enters a new and productive part of her life.●

SUZANNE MARIE HAYDEN

● Mr. COVERDELL. Mr. President, I rise today to commend Suzanne Marie Hayden for her commitment to excellence in academics and as an outstanding young person. Suzanne is a junior at Gilmer High School in her hometown of Ellijay, Georgia. Throughout Suzanne's schooling, she has maintained an A average and is Treasurer of the Beta Club. She received the 1996 United States Achievement Academy and was named the 1996–1997 Family and Consumer Science Most Outstanding Student.

In addition to maintaining an outstanding academic record, Suzanne has been involved in several sports, organizations, and other extracurricular activities. Currently serving as the Student Senate Secretary/Treasurer, she has been a leader in student government. She is also a member of the Future Homemakers of America where she is Georgia State President and was named a 1996–1997 Outstanding FHA Member. In sports, she participated on the high school cross country and track teams.

Suzanne's commitment to excellence also extends to the community. She is an active member of First Baptist Church in Ellijay, Georgia. She has also volunteered at the Gilmer Nursing Home.

Once again, Mr. President, I would like to thank Suzanne Marie Hayden for her commitment to both academic and civic excellence. As we discuss possible education reform, we can use Suzanne as a model for the type of student our schools should be producing.●

ANNIVERSARY OF THE DEATH OF HUBERT H. HUMPHREY

● Mr. WELLSTONE. Mr. President, I rise to speak today to honor a great Minnesota Senator and a great American.

U.S. Senator Hubert H. Humphrey died on January 13, 1978. On that day, a piece of Minnesota died—a piece of the nation died.

In many ways, Senator Humphrey embodied the best of our state and our nation. He was a visionary who never lost sight of people in the here and now; he was a prophet who spoke with authority and compassion; he was a leader who never lost sight of the ". . . extraordinary possibilities in ordinary people." Whether as the Mayor of Minneapolis or the Vice President of the United States, Senator Humphrey was a person of dignity, integrity and honesty. Even during our darkest days of segregation and war, he never lost his humor or his commitment to improve the lives of people. And this Happy Warrior did improve the lives of countless people throughout my state and our country. Indeed, he fulfilled his own pledge that "we must dedicate ourselves to making each man, each woman, each child in America a full participant in American life."

My state and our nation owe a debt to Senator Humphrey that can never be paid.

I owe a debt to Senator Humphrey: In the back of my mind, I continually aspire to the standard he set for Minnesota Senators. I attempt to fulfill his goal that our "public and private endeavor ought to be concentrated upon those who are in the dawn of life, our children; those who are in the twilight of life, our elderly; and those who are in the shadows of life, our handicapped."

My thoughts on Senator Humphrey's passing are even more poignant this year because his wife—Senator Muriel Humphrey—died this past fall. As friends and family gathered at her funeral, I was struck by how blessed we were to have these two incredible people pass through our lives.

I close very simply in honor of the memory of this very great public man: We all are better off because of his life.●

TRIBUTE TO POLICE CHIEF STEPHEN R. MONIER ON HIS RETIREMENT

● Mr. SMITH of New Hampshire. Mr. President, I rise today to commend Police Chief Stephen R. Monier on his outstanding career as a law enforcement agent in Goffstown, New Hampshire. I congratulate him on his twenty-eight years of tireless service and his retirement from the police force on December 31, 1998.

Chief Monier's record of achievement is worthy of outstanding honor. As an officer, he served as a Patrol Officer, Director of the Juvenile Division, Administrative Services Officer, Sergeant, Lieutenant and, ultimately, Chief. Chief Monier was a Commissioner with the Commission on the Accreditation of Law Enforcement Agencies, Inc., a past president of the New Hampshire Association of Police (NHACP), a member for nine years on the Council at New Hampshire Police Standard and Training and a member of New England Association of Chiefs of Police and International Associations of Chiefs of Police. He also had the honor of being selected as a member of the 1996 Centennial Summer Olympic's Security Team in Atlanta, Georgia, and was selected as a security team leader for the Athens' Olympics.

Along with this prestigious law enforcement career, Chief Monier was President and a member of the Rotary International's Goffstown Chapter, founding member and Board of Director's member for Crispin's House, Inc., a nonprofit organization designed to assist at-risk youths and families, and assistant coach for the Goffstown Parks and Recreation Youth Basketball League. His philanthropic record is an outstanding achievement.

Police Chief Stephen R. Monier is an asset to his community as well as the State of New Hampshire. His remarkable record of service has made him a well-known and well-respected man. New Hampshire has always been fortunate to have great law enforcement agents, and Mr. Monier exemplifies this ideal. I am proud of his achievements and his long and honorable commitment to law enforcement. I would like to wish Chief Monier, along with his wife Sandra and their two teenage sons, the best of luck as he embarks on this new stage in his life. It is an honor to represent you in the United States Senate.●

A TRIBUTE TO RUSSELL BAKER

● Mr. MOYNIHAN. Mr. President, Thomas Carlyle remarked, "A well-written Life is almost as rare as a well-spent one." Carlyle could have written these words, if construed as a double entendre, about my rare, dear friend, Russell Baker. Baker's last "Observer" column appeared in the New York Times this past Christmas, ending a 36-year run. Over the course of some 3 million words, by his own reckoning, Russell Baker has displayed grace, gentle wit, decency, and profound insight into the human condition.

Nearly fifteen years ago, I stated that Russell Baker has been just about the sanest observer of American life that we've had. He has been gentle with us, forgiving, understanding. He has told us truths in ways we have been willing to hear, which is to say he has been humorous . . . on the rare occasion he turns to us with a terrible visage of near rage and deep disappointment, we do well to listen all the harder.

He leaves a huge hole I doubt any other journalist can fill. As Boston Globe columnist Martin F. Nolan observed last month, "the most bathetic braggarts and most lubricated louts among us never thought we were as good or as fast as Russell Baker."

A life well-spent? He's a patriot, having served as a Navy flyer during World War II. For nearly fifty years, he has been married to his beloved Miriam. They have three grown children. His career has taken him from the Baltimore Sun's London Bureau to the Times' Washington Bureau. He has covered presidential campaigns, and he has accompanied Presidents abroad. He has met popes, kings, queens—and common people, too, for whom he has

such enormous and obvious empathy. And now he is the welcoming presence on Mobil Masterpiece Theatre.

A life well-written? The Washington Post's Jonathan Yardley calls Russell Baker ''a columnist's columnist,'' writing, ''Baker broke his own mold. He was, simply and utterly, sui generis.'' I would not use the past tense, because I doubt Russell Baker is done putting pen to paper. But the sentiment is spot on.

A life well-written? Baker has won two Pulitzer Prizes—one in 1979 for Distinguished Commentary and another in 1983 for his 1982 autobiography, ''Growing Up.'' He has written thirteen other books and edited The Norton Book of Light Verse and his own book of American humor. Russell Baker isn't just one of the best newspaper writers around, as Yardley puts it; he is ''one of the best writers around. Period.''

Mr. President, I ask unanimous consent that Russell Baker's last regular ''Observer'' column entitled ''A Few Words at the End'' (New York Times, December 25, 1998) appear in the CONGRESSIONAL RECORD following my remarks. I further ask unanimous consent that Martin F. Nolan's column, ''A journalist, a gentleman,'' (Boston Globe, December 9, 1998) and Jonathan Yardley's column, ''Russell Baker: A Columnist's Columnist,'' (Washington Post, January 4, 1999) also appear in the RECORD following my remarks.

[From the Boston Globe, December 9, 1998]

A JOURNALIST, A GENTLEMAN

(By Martin F. Nolan, Globe Staff)

SAN FRANCISCO.—American journalism has marinated in wretched excess in 1998, and the year closes with the ultimate deprivation and indignity. This month, Russell Baker files his final column for The New York Times.

For readers, this means losing that rare sense of anticipation, glancing at a byline as a guarantee. Baker's byline delivers good writing, good humor, and a ruthless honesty about himself. He does not bluff or pontificate. Readers know: Character counts. Russ Baker's sensibilities have enriched the op-ed page of the Times since 1962, longer than any other columnist on that newspaper.

Ink-stained wretches still in harness will miss him as a role model, which in journalese means an object of fierce and unrelenting envy. The green-eyed monster squats daily over every newsroom word processor, presiding over pointless arguments: ''I may not be good, but I'm fast'' vs. ''I may not be fast, but I'm good.'' But the most bathetic braggarts and most lubricated louts among us never thought we were as good or as fast as Russell Baker.

He has written 3 million words for the ''Observer'' column, few of them out of place. His lasting contribution to American letters was ''Growing Up,'' his 1982 memoir, which ignored politicians to focus on his mother, Lucy, who hectored him about ''gumption'' and often said, ''Don't be a quitter, Russell.''

He's hardly that. He began reporting for the Baltimore Sun in 1947, as he wrote, ''studying the psychology of cops, watching people's homes burn'' while trolling the same precincts as H.L. Mencken 50 years earlier. Instead of Mencken's bile, he infused his prose with bemusement. He moved from street reporter to rewrite with no illusions: ''I knew that journalism was essentially a task of stringing together seamlessly an endless series of cliches.'' Gulp. Also ouch.

A profile in The Washingtonian this year quoted Calvin Trillin on Baker as a 1950s guy: ''No complaining, no dancing in the end zone.'' One lesson of ''Growing Up'' is that war and depression are more character-building than peace and prosperity, so Baker sought no slack and no other short cuts, which were notoriously unavailable at the Washington bureau of The Times, which he joined in 1954.

''In those days plain English was under suspicion at the Times,'' he once recalled. ''Many stories read as if written by a Henry James imitator with a bad hangover. Incomprehensible English was accepted as evidence of the honest, if inarticulate, reporter; plain English bothered people.''

But the copy desk yielded. Because Baker knew the difference between ''disinterested'' and ''uninterested,'' because he could navigate the perilous waters between ''flaunt'' and ''flout,'' his news stories penetrated the philistine phalanx with lines like: ''Senator Everett M. Dirksen, the Illinois Republican and orator, looking Byronically disheveled . . .''

Such a phrase would vanish in the hyena cacophony that passes for political discourse on television today. It is all the more fitting that Baker has become a TV star as host of ''Masterpiece Theatre.'' In 1993, when PBS searched for Alistair Cooke's successor, Christopher Lydon and others lobbied heroically for Baker, one of the best-read reporters ever to meet a deadline.

Baker admired his fellow Virginian, Murray Kempton, the columnist who set out in New York every day to take the luck of the day. Writing in retirement, Baker hopes to ''take the luck of the year.''

In an ancient newspaper joke, a butler informs his employer that ''Some reporters are here to see you, sir, and a gentleman from The Times (or Transcript or Tribune).'' He may still identify with the typical Washington correspondent of his day, a dirty-fingernailed hustler ''who services a string of small papers in the Gadsden Purchase.'' But Russell Baker adorns this increasingly rude trade because he is a true gentleman.

[From the Washington Post, Jan. 4, 1999]

RUSSELL BAKER: A COLUMNIST'S COLUMNIST

(By Jonathan Yardly)

Christmas 1998 was bright and beautiful here on the East Coast, but the happy day also brought a great loss. The announcement of it was made that morning on the Op-Ed page of the New York Times, under the chilling headline, 'A Few Words at the End,' and under the byline of Russell Baker.

The headline told the story, and the opening of Baker's column confirmed it. 'Since it is Christmas,' he wrote, 'a day on which nobody reads a newspaper anyhow, and since this is the last of these columns titled 'Observer' which have been appearing in the Times since 1962 . . . ' at which point it was all I could do to keep on reading. But read I did, out loud, right to the end—'Thanks for listening for the past three million words'—when I could only blurt out: 'Well, my world just got a lot smaller.'

That is no exaggeration. I cannot pretend to have read all 3 million of those words, for there were periods when my peregrinations up and down this side of the North American continent put me out of touch with the Times, but I read most of them and treasured every one. Baker's columns were the center of my life as a reader of newspapers, and it is exceedingly difficult to imagine what that life will be without them.

Thirty-six years! Has any American newspaper columnist maintained so high a standard of wit, literacy and intelligence for so long a time? Only two come to mind: H.L. Mencken and Walter Lippmann. But Mencken's columns for the Baltimore Evening Sun were on-and-off affairs, and Lippmann struggled through a long dry period during the 1950s before being brought back to life in the 1960s by the debate over the Vietnam War. Baker, by contrast, was, like that other exemplary Baltimorean Cal Ripkin Jr., as consistent and reliable as he was brilliant. For all those years he was my idea of what a journalist should be, and I strived—with precious little success—to live up to this example.

Not that I tried to imitate him, or not that I was aware of doing so. One of the many remarkable things about Baker is that, unlike Mencken or Lippmann—or Baker's old boss, James Reston, or Dorothy Thompson, or Drew Pearson, or Dave Barry—he really has no imitators. Other journalists may envy what he did, but in a business where imitation is the sincerest form of self-promotion, Baker broke his own mold. He was, simply and utterly, sui generis.

This made him, in the cozy and self-congratulatory world of journalists, odd man out. His colleagues and competitors may have admired and respected him, but few understood him. While they chased around after ephemeral scoops and basked in the reflected glory of the famous and powerful, Baker wrote what he once called 'a casual column without anything urgent to tell humanity,' about aspects of life that journalists commonly regard as beneath what they fancy to be their dignity. Looking back to the column's beginnings, Baker once wrote:

'At the Times in those days the world was pretty much confined to Washington news, national news and foreign news. Being ruled off those turfs seemed to leave nothing very vital to write about, and I started calling myself the Times' nothing columnist. I didn't realize at first that it was a wonderful opportunity to do a star turn. Freed from the duty to dilate on the global predicament of the day, I could build a grateful audience among readers desperate for relief from the Times' famous gravity.'

That is precisely what he did. As he noticed in his valedictory column, Baker's years as a gumshoe reporter immunized him from 'columnists' tendency to spend their time with life's winners and to lead lives of isolation from the less dazzling American realities.' Instead of writing self-important thumb-suckers—'The Coming Global Malaise,' 'Nixon's Southern Strategy,' 'Whither Cyprus?'—he concentrated on ordinary life as lived by ordinary middle-class Americans in the second half of the 20th century. He wrote about shopping at the supermarket, about car breakdowns and mechanics who failed to remedy them, about television and what it told us about ourselves, about children growing up and parents growing older.

Quite surely it is because Baker insisted on writing about all this stuff that failed to meet conventional definitions of 'news' that not until 1979 did his fellow journalists get around to giving him the Pulitzer Prize for commentary. Probably, too, it is because he insisted on being amused by the passing scene and writing about in an amusing way. He was only occasionally laugh-out-loud

amusing in the manner of Dave Barry—who is now, with Baker's retirement, the one genuinely funny writer in American newspapers—but he was always witty and wry, and he possessed a quality of which I am in awe: an ability to ingratiate himself with readers while at the same time making the most mordant judgments on their society and culture.

There were times in the late years of his column when mordancy seemed to hover at the edge of bitterness. This struck me as inexplicable, but the inner life of another person is forever a mystery, and in any event there is much in fin de siecle America about which to be bitter. But mostly Baker dealt in his stock in trade: common-sensical wisdom, wry skepticism, transparent decency. He wasn't just the best newspaper writer around, he was one of the best writers around. Period.

[From the New York Times, December 25, 1998]

A FEW WORDS AT THE END

(By Russell Baker)

Since it is Christmas, a day on which nobody reads a newspaper anyhow, and since this is the last of these columns titled 'Observer' which have been appearing in The Times since 1962, I shall take the otherwise inexcusable liberty of talking about me and newspapers. I love them.

I have loved them since childhood when my Uncle Allen regularly brought home Hearst's New York Journal-American with its wonderful comics, Burris Jenkins cartoons and tales of rich playboys, murderous playgirls and their love nests. At that age I hadn't a guess about what a love nest might be, and didn't care, and since something about 'love nest' sounded curiously illegal, I never asked an adult for edification.

On Sunday's Uncle Allen always brought The New York Times and read himself to sleep with it. Such a dismal mass of gray paper was of absolutely no interest to me. It was Katenzjammer Kids and Maggie and Jiggs of the King Features syndicate with whom I wanted to spend Sunday.

At my friend Harry's house I discovered the New York tabloids. Lots of great pictures. Dick Tracy! Plenty of stories about condemned killers being executed, with emphasis what they had eaten for their last meal, before walking—the last mile! The tabloids left me enthralled by the lastness of things.

Inevitably, I was admitted to practice the trade, and I marveled at the places newspapers could take me. They took metro to suburbs on sunny Saturday afternoons to witness the mortal results of family quarrels in households that kept pistols. They took me to hospital emergency rooms to listen to people die and to ogle nurses.

They took me to the places inhabited by the frequently unemployed and there taught me the smell of poverty. In winter there was also the smell of deadly kerosene stoves used for heating, though there tendency to set bedrooms on fire sent the morgue a predictable stream of customers every season.

The memory of those smells has been a valuable piece of equipment during my career as a columnist. Columnists' tendency to spend their time with life's winners and to lead lives of isolation from the less dazzling American realities makes it too easy for us sometimes to solve the nation's problems in 700 words.

Newspapers have taken me into the company of the great as well as the greatly celebrated. On these expeditions I have sat in the Elysee Palace and gazed on the grandeur that was Charles de Gaulle speaking as from Olympus. I have watched Nikita Khrushchev, fresh from terrifying Jack Kennedy inside a Vienna Embassy, emerge to clown with the press.

I have been apologized to by Richard Nixon. I have seen Adlai Stevenson, would-be President of the United States, shake hands with a department-store dummy in Florida.

I have been summoned on a Saturday morning to the Capitol of the United States to meet with Lyndon Johnson, clad in pajamas and urgently needing my advice on how to break a civil-rights filibuster. I have often been played for a fool like this by other interesting men and, on occasion, equally interesting women.

Pope John XXIII included me in an audience he granted the press group en route to Turkey, Iran and points east with President Eisenhower. The Pope's feet barely reached the floor and seemed to dance as he spoke.

Newspapers took me to Westminster Abbey in a rental white tie and topper to see Queen Elizabeth crowned and to Versailles in another rental white-tie-and-tails rig to share a theater evening with the de Gaulles and the John F. Kennedys.

Thanks to newspapers, I have made a four-hour visit to Afghanistan, have seen the Taj Mahal by moonlight, breakfasted at dawn on lamb and couscous while sitting by the marble pool of a Moorish palace in Morocco and one picked up a persistent family of fleas in the Balkans.

In Iran I have ridden in a press bus over several miles of Oriental carpets with which the Shah had ordered the street covered between airport and town to honor the visiting Eisenhower, a man who, during a White House news conference which I attended in shirtsleeves, once identified me as 'that man that's got the shirt on.'

I could go on and on, and probably will somewhere sometime, but the time for this enterprise is up. Thanks for listening for the past three million words.●

ROBERT DAVID SMITH

● Mr. COVERDELL. Mr. President, I rise today to commend Robert David Smith for his commitment to excellence in academics and as a citizen. Robert attended Gilmer High School in his hometown of Ellijay, Georgia. While in High School, Robert was named the Class of 1996 Valedictorian, 1996 USA Today All-Academic Team Scholar, winner of the 1994 National Seiko Youth Challenge, Georgia Scholar, National Merit Finalist, and Senior Class President. He also received the 1995 Governor's Proclamation, the 1995 and 1996 D.A.R. Good Citizen Award and the rank of Eagle Scout.

In college, Robert has continued his commitment to academic excellence. Attending Harvard University, Robert is in his Junior year majoring in Economics. He has made Dean's List and been named a Harvard College Scholar.

Robert's commitment to excellence has also been extended to the community. At home, he has served on the Gilmer County Comprehensive Planning Committee which analyzed its own environmental and financial problems. He also volunteered for the Cox Creek Project which worked to solve local sewage and landfill problems in Gilmer County. Finally, as a student at Harvard, Robert participates in the Park Street Project where he serves as a tutor at a local middle school, helping students excel.

Once again, Mr. President, I would like to thank Robert David Smith for his commitment to academic and civic excellence. As we in Congress discuss possible reforms of our educational system, certainly we can use Robert as a model for the type of student we should be producing in our Nation's schools.●

TRIBUTE TO LES CHITTENDEN

● Ms. MIKULSKI. Mr. President, I rise today to honor the contribution of an outstanding Marylander, Mr. Les Chittenden. I hope my colleagues will find inspiration in this story of devotion and persistence.

Les and his wife Mary lived in an apartment building in Columbia, Maryland where handicapped access and parking were limited. When Mary became ill and required the use of a wheelchair, the Chittendens discovered just how inadequate the handicapped facilities at their building were.

Mr. President, Les Chittenden was not content to simply accept the situation. He fought to change it. His devotion to his wife of 36 years motivated him to take on the powers that be and propose solutions to make disabled residents safer each time they parked their car and entered the building. Even though agreeing on and implementing a solution proved to be difficult, Mr. Chittenden still refused to give up.

Five months after he began his fight to improve access for disabled residents, Les' beloved wife Mary passed away. Mr. President, I want to send my condolences to Mr. Chittenden and his family during this difficult time.

But, Mr. President, I also want to send my congratulations and my admiration. Shortly after his wife's passing, Mr. Chittenden returned home one weekend to find that his hard work paid off at last—a new handicapped ramp and several new handicapped parking spaces were added to the building as a result of his persistent efforts.

I want to share this story with my colleagues today because I think it's important that we honor the meaningful contributions of Americans like Les Chittenden. Mr. Chittenden is a wonderful example of how one person can make a valuable difference in our communities. Mr. Chittenden's story is an inspiration to us all.●

TRIBUTE TO ROY SMITH

● Mr. COCHRAN. Mr. President, I am pleased to bring to the attention of Senators the retirement of Roy Smith, the Deputy District Engineer for Programs and Project Management for the

Vicksburg District of the U.S. Army Corps of Engineers.

Mr. Smith has held several positions in the Vicksburg District, including serving as Chief of the Hydrology Section, Chief of the Hydrology Branch, and Chief of the Engineering Division. He has served as Deputy District Engineer since 1989.

During his tenure, Mr. Smith has been of tremendous assistance to me, my staff, and the people of Mississippi. He has also been recognized within the Corps; receiving the Meritorious Civilian Service award and the Commander's Award for Civilian Service.

In November, the Delta Council of Mississippi passed a resolution honoring Mr. Smith on the occasion of his retirement which summarizes the contributions that Roy has made to our State of Mississippi with these words, ''There has been no individual who has offered a greater contribution to the future of flood protection in the Mississippi Delta during the past quarter of a century than Roy Smith.''

I know the Senate joins me in thanking Roy for his years of distinguished service and in offering our best wishes for his retirement.●

REGISTRATION OF MASS MAILINGS

The filing date for 1998 fourth quarter mass mailings is January 25, 1999. If your office did no mass mailings during this period, pleased submit a form that states ''none.''

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510–7116.

The Public Records office will be open from 8:00 to 6:00 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office at (202) 224–0322.

1998 YEAR END REPORT

The mailing and filing date of the 1998 Year End Report required by the Federal Election Campaign Act, as amended, is Sunday, January 31, 1999. Principal campaign committees supporting Senate candidates file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510–7116.

The Public Records office will be open from 12:00 noon to 4:00 p.m. on the filing date to accept these filings. For further information, place contact the Public Records office at (202) 224–0322.

RENAMING THE COMMITTEE ON LABOR AND HUMAN RESOURCES THE COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mrs. HUTCHISON. Mr. President, on behalf of the Senate majority leader, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 20, introduced earlier today.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 20) renaming the Committee on Labor and Human Resources the Committee on Health, Education, Labor and Pensions.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements related to the resolution be printed in the RECORD.

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

The resolution (S. Res. 20) was agreed to as follows:

S. RES. 20

Resolved, That the Committee on Labor and Human Resources is hereby redesignated as the Committee on Health, Education, Labor, and Pensions.

CONGRATULATING THE UNIVERSITY OF TENNESSEE VOLUNTEERS FOOTBALL TEAM ON NCAA CHAMPIONSHIP

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 21, submitted earlier today by Senators FRIST and THOMPSON.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 21) congratulating the University of Tennessee Volunteers Football Team on winning the 1998 National Collegiate Athletic Association Division I-A football championship.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, it is with great pride that I rise to acknowledge another NCAA National Championship for the University of Tennessee. Last year, I had the opportunity to congratulate the Tennessee Lady Vols on their third straight national women's basketball title, but just two weeks ago, the University of Tennessee Volunteer football team defeated the Seminoles of Florida State University in the Fiesta Bowl in Tempe, Arizona to become the undisputed champions of college football.

It was a perfect ending to a perfect season; a season of thirteen wins and zero losses; a season in which this national championship team pulled together to overcome tremendous adversity, including the loss of key starters to the National Football League, the loss of a Heisman Trophy candidate to a season-ending injury, and arguably the most challenging schedule in collegiate football, to attain the national title.

Today, along with my fellow Volunteer fan, Senator THOMPSON, I introduce this sense-of-the-Senate resolution recognizing the University of Tennessee Volunteers for their commitment to excellence, for their dedication, for their selflessness, and for their sportsmanship throughout the 1998 football season.

Mr. President, I, along with my fellow Tennesseans, watched with pride as the Volunteers marched their way through the 1998 football season setting numerous school records, Southeastern Conference records, and NCAA records. For players, coaches, and fans, it was indeed a remarkable season full of excitement, anxiety, and joy. From Jeff Hall's last-second field goal in the opening game to defeat Syracuse to Peerless Price's spectacular touchdown receptions against Florida State in the Fiesta Bowl, the Vols proved again and again that they can deliver in the clutch in a manner befitting a champion.

Throughout the year, the Volunteers functioned as a cohesive unit, rather than relying on only a few star players. Tennessee Coach Phillip Fulmer, the winningest active coach in college football, put it best when he said, ''It's been an unbelievable effort. * * * It's amazing what you can accomplish when no one cares who gets the credit.'' Truly a testament to the selflessness and determination of this national championship team.

In closing, I would like to congratulate the team, Coach Fulmer, his assistant coaches, and the outstanding faculty and staff of the Univesity of Tennessee, all of whom contributed to this championship season. Finally, I would like to recognize the most important group, the group in which I am honored to be included, the Tennessee Volunteer fans.

Mr. THOMPSON. Mr. President, I rise today to recognize the outstanding accomplishment of the University of Tennessee Volunteers in capturing the national collegiate football championship. And I ask my colleagues to join me in formally congratulating the Tennessee Vols.

On January 4th, I joined fellow Tennesseans across the country in watching with pride as the University of Tennessee Volunteers defeated Florida State Seminoles (23–16) and were crowned national champions for the first time since 1951. I should also point out that this is the second national championship that has come to the Tennessee Campus during this past

year. The Lady Vols won the collegiate women's basketball crown and today stand at the top of the A.P. poll for the 1998–99 season with 40 of 41 first place votes.

Tennessee has the fourth-winningest program in major college football this decade and has won back-to-back Southeastern Conference (SEC) championships. This year's Fiesta Bowl marked their tenth consecutive bowl appearance. The Vols finished 13 and 0 and ranked number one in the nation after winning the Bowl Championship Series title game.

Mr. President, many of my colleagues had their own home-state favorites and I congratulate them on their seasons as well. But Mr. President back home in Tennessee, we are very, very proud of the Vols. We're proud of coach Phillip Fulmer and his staff. We're proud of the scholar-athletes. We're proud of the parents and the friends and the faculty who support them and out-numbered Florida State fans at the Fiesta Bowl by more than three to one.

This is just about as flawless a season of athletic performance as you're ever going to see, and we're fortunate in Tennessee to have this tremendous program and these gifted, talented young people. This is a team which started the year with a new quarterback and then lost its top running back four games into the season. They came together and it seemed that each game produced a different hero and somebody was always there to make a big play at a crucial moment.

Five different Vols earned SEC Player of the Week honors this season. Quarterback Tee Martin was named Offensive Player of the Week after completing an NCAA record 23-of-24 passes for 315 yards against South Carolina and setting a single-game record for completion percentage at 95.8. Receiver Peerless Price snagged Offensive Player of the Week when he caught a pass for a career-high 181 yards and one score in a win over Mississippi State.

And on defense, linebacker Al Wilson broke records by forcing three fumbles against Florida. Defensive end Shaun Ellis returned an interception 90 yards for a touchdown against Auburn, and defensive back Deon Grant stole the spotlight with a key interception in a game against Georgia. All three were named SEC Defensive Player of the Week for their individual achievements.

Mr. President, I would especially like to acknowledge the tremendous coaching job of Phillip Fulmer, who played offensive guard for Tennessee from 1969 to 1971, and who has led the team for seven winning seasons. Coach Fulmer has the highest winning percentage of any Tennessee coach, and is the winningest active coach in the country.

So today, I congratulate them. With that kind of coaching, talent and an ability to work powerfully as a team, it's not hard to see why the Tennessee Vols have come so far this season.

Mr. President, I know many of my colleagues have experienced this kind of excitement and pride with teams from their own states. And I know they appreciate just how proud we are in Tennessee to get bragging rights for this season.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that statements regarding the resolution be printed in the RECORD.

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

The resolution (S. Res. 21) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 21

Whereas the University of Tennessee Volunteers football team (referred to in this resolution as the ''Tennessee Volunteers'') defeated the Florida State University Seminoles on January 4, 1999, at the Fiesta Bowl in Tempe, Arizona, to win the National Collegiate Athletic Association Division I–A football championship;

Whereas the Tennessee Volunteers completed the 1998 football season with a perfect record of 13 wins and 0 losses;

Whereas the Tennessee Volunteers defeated the Mississippi State University Bulldogs to claim the 1998 Southeastern Conference football championship;

Whereas the Tennessee Volunteers' Coach Phillip Fulmer, his staff, and his players displayed outstanding dedication, teamwork, selflessness, and sportsmanship throughout the course of the season to achieve collegiate football's highest honor; and

Whereas the Tennessee Volunteers have brought pride and honor to Tennessee: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the University of Tennessee Volunteers football team on winning the 1998 National Collegiate Athletic Association Division I–A football championship; and

(2) commends the University of Tennessee Volunteers football team for its pursuit of athletic excellence and its outstanding accomplishment in collegiate football in winning the championship.

ORDER FOR RECORD TO REMAIN OPEN

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that today's RECORD remain open until 6 p.m. for the introduction of bills and statements.

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

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mrs. HUTCHISON. I ask unanimous consent that the President of the Senate be authorized to appoint a committee on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber for the joint session to be held at 9 p.m. this evening, Tuesday, January 19, 1999.

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

AMERICA AT A MORAL CROSSROADS

Mr. HELMS. Mr. President, I have sent to the desk a slate of legislation that addresses a number of our Nation's most pressing social problems. I have introduced a great many of these bills in prior Congressional sessions and Senators who have been around for a while will find these proposals familiar.

Nonetheless, I shall devote a few minutes to explain the importance of these bills and why it is so crucial to address permissive social policies that are creating a moral and spiritual crisis in our country.

I am delighted, Mr. President, that our Nation's economy has grown and prospered for the last two years—helped along, not incidentally, by the responsible fiscal policies insisted upon by the Republican Congress. But the good news on the financial pages is too often overshadowed by utterly horrifying stories elsewhere, stories which detail a moral sickness at the heart of our culture, stories which chronicle the devaluation of human life in our society, symbolized by the tragic 1973 Supreme Court decision, Roe v. Wade.

The most notorious of these appalling stories was the episode involving a young New Jersey woman who in May of 1997 gave birth to an infant in a public bathroom stall during her senior prom. She then strangled her newborn baby boy, placed the body in a trash can, adjusted her makeup, and returned to the dance floor.

Mr. President, this chilling tale cries out that something is badly wrong in the culture that produced it. The American people were justifiably stunned by the furor surrounding this crime—and they are surely even more shocked to learn that this is not an isolated incident.

Consider this: In November of 1997, in Tucson, Arizona, a 15-year-old boy found a newborn in a 3-pound coffee can. After an investigation, police arrested the boy's sister, then 19 years of age. She had given birth to the baby and promptly drowned it in the toilet, covered its little head with a plastic ice cream wrapper, wrapped the body in a flannel shirt and hidden it. She said she had intended to bury it later.

Despite these largely uncontested facts, an Arizona jury—browbeaten into submission by a defense team suggesting that its client was in fact the

victim of a strict Catholic upbringing—returned a guilty verdict only on a charge of negligent homicide, the least severe conviction applicable. This woman, who had murdered her own baby, received a sentence of one year, and during her prison term, she will be released during daytime hours on a work furlough program.

This is the tip of the iceberg, Mr. President. National Public Radio recently reported that the bodies of about 250 newborns are callously discarded each year. In some of these cases the babies were stillborn, but in others, the newborns were murdered.

Lest anyone think I am exaggerating, pick up almost any newspaper in America, and a distressing story is likely to be found. For example:

The Pittsburgh Post-Gazette, August 12, 1997: Teenage Mother Admits Slaying: Newborn was Found Dead in Gym Bag in Garage of Home

The Record, Northern New Jersey, December 24, 1997: 12 Years for Mom Who Killed Baby: Newborn Tossed From Window

Associated Press, Atlantic City, New Jersey, July 14, 1997: Baby Born in Toilet Stall, Left in Atlantic City Bus Terminal

St. Petersburg Times, December 20, 1997: Girl Charged who Left Baby in Trash

Dallas Morning News, October 29, 1997: Teen Jailed in Baby's Death Hid Pregnancy, Parents say Newborn Boy Was Found Suffocated in Garbage Bag

Should we really be surprised, Mr. President, that a Nation that not only tolerates, but actively defends the practice of partial birth abortion would produce these gruesome headlines? And the extraordinary level of disrespect for human life to which America has fallen isn't limited to the horrible practice of neonaticide on the part of young mothers. It pervades every part of our society.

In Pennsylvania, two teenagers were stabbed during a showing of a so-called ''horror movie'' that itself featured two characters being brutally stabbed to death watching a horror film. In Oregon, much of the Nation watched in disbelief as news reports described the case of a young man who, after killing his parents, walked into a crowded school cafeteria and opened fire on his fellow students.

No one Act of Congress or court decision is solely responsible for these tragedies, of course. But can it be denied that the decline in moral values in American culture helped set the stage for these notorious crimes? The American people believe this is true. Last year, CBS and CNN/Time both conducted polls indicating more Americans believe that a lack of moral values was the most important problem facing the United States—more important than crime, more important than taxes, more important than health care, more important than education.

Too often, however, the mainstream media doesn't seek to remedy our decaying culture; they actively celebrate it. Just last fall, the supposedly responsible news magazine ''60 Minutes'' elected to show the videotaped death of a man via Dr. Jack Kevorkian's so-called ''suicide machine''. In voice-over, Kevorkian was allowed to comment on the procedure—no, strike that, the murder—that the viewer was watching. All the while he defended his abhorrent belief in assisted suicide. And instead of responding with outrage, a portion of the American public rewarded the program with its highest ratings of the year.

Has America become so hard-hearted and callous, Mr. President? Or is it just responding to so-called cultural elitists who celebrate abortion, euthanasia, and promiscuity, while with unrestrained zeal endeavor to destroy all traces of religion in American public life.

Too many politicians blithely suggest that government and morality are not and should not be related; too many producers in Hollywood claim that the filth that passes for entertainment does not corrupt our culture; and too many educators claim the academy does not have a place in addressing the difference between right and wrong.

Mr. President, they are the ones who are wrong. We fool ourselves and we fool the public if we suggest that there is no connection between the business we do in Congress and the state of public morality in our society. We are the caretakers of our own culture. And we must not shrink from the responsibility of passing laws that promote what is right and prevent what is wrong in our society.

We make judgments between right and wrong every day, Mr. President in every vote we cast and every action we take. And when we judge correctly, the positive results can be wonderfully encouraging. Consider this: On August 1, 1996, the Senate passed the Personal Responsibility and Work Opportunity Reconciliation Act. It was subsequently enacted into law. This landmark legislation, commonly referred to as ''welfare reform'', injected the time-honored values of hard work and personal responsibility into our social welfare system.

Welfare reform has been successful beyond even its supporters' wildest expectations—and, in my view, has tangible indirect benefits as well.

The numbers are stunning: According to the Department of Health and Human Services, the percentage of Americans receiving welfare benefits has plunged from 5.5% in 1995 to 3.3% in 1998. In three short years—and aided by the polices of a number of creative, innovative Governors and state leaders—welfare reform almost halved the welfare rolls.

The success of welfare reform is not limited to the dramatic decline of the welfare recipients, though the numbers are impressive indeed. Putting people back to work has started to mend other social problems. The January/February 1999 edition of The American Enterprise reports the following good news:

The number of homicides has dropped from 11 Americans per 100,000 in 1990 to only 7 in 1998, with a noticeably steep decline in the curve since 1995.

Poverty among Black Americans has declined sharply, to a 30-year low of 27%. (U.S. Bureau of the Census)

Divorce rates in the last three years are dropping, while marriage rates over the same time period are inching upward. (U.S. National Center for Health Statistics)

I for one do not doubt that welfare reform is partially responsible for these encouraging statistics.

In short, Mr. President, good laws help make good societies. And that is the reason I continue to introduce bills in each and every Congress that limit the modern tragedy of abortion and its insidious effects; that allow for prayer in schools while taking steps to ease the scourge of drug use among our children; that protect the rights of federal employees to speak their minds about moral issues; and that make sure our civil rights laws treat Americans as individuals rather than faceless members of racial groups, religious groups, or of a certain gender.

Mr. President, I ask unanimous consent that the text of each bill be printed in the RECORD at the conclusion of my explanation of it.

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

UNBORN CHILDREN'S CIVIL RIGHTS ACT

Mr. HELMS. Mr. President, the Unborn Children's Civil Rights Act has several goals. First, it puts the Senate on record as declaring that one, every abortion destroys deliberately the life of an unborn child; two, that the U.S. Constitution sanctions no right to abortion; and three, that Roe v. Wade was incorrectly decided.

Second, this legislation will prohibit Federal funding to pay for, or promote, abortion. Further, this legislation proposes to de-fund abortion permanently, thereby relieving Congress of annual legislative battles about abortion restrictions in appropriation bills.

Third, the Unborn Children's Civil Rights Act proposes to end indirect Federal funding for abortions by one, prohibiting discrimination, at all federally funded institutions, against citizens who as a matter of conscience object to abortion and two, curtailing attorney fees in abortion-related cases.

Fourth, this bill proposes that appeals to the Supreme Court be provided as a right if and when any lower Federal court declares restrictions on

abortion unconstitutional, thus effectively assuring Supreme Court reconsideration of the abortion issue.

Mr. President, I believe this bill begins to remedy some of the damage done to America by the Supreme Court's decision in Roe v. Wade. I continue to believe that a majority of my colleagues will one day agree, and I will never give up doing everything in my power to protect the most vulnerable Americans of all: the unborn.

S. 40

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 ''Unborn Children's Civil Rights Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) scientific evidence demonstrates that abortion takes the life of an unborn child who is a living human being;

(2) a right to abortion is not secured by the Constitution;

(3) in the cases of Roe v. Wade (410 U.S. 113 (1973)) and Doe v. Bolton (410 U.S. 179 (1973)) the Supreme Court erred in not recognizing the humanity of the unborn child and the compelling interest of the States in protecting the life of each person before birth.

SEC. 3. PROHIBITION ON USE OF FUNDS FOR ABORTION.

No funds appropriated by Congress shall be used to take the life of an unborn child, except that such funds may be used only for those medical procedures required to prevent the death of either the pregnant woman or her unborn child so long as every reasonable effort is made to preserve the life of each.

SEC. 4. PROHIBITION ON USE OF FUNDS TO ENCOURAGE OR PROMOTE ABORTION.

No funds appropriated by Congress shall be used to promote, encourage, counsel for, refer for, pay for (including travel expenses), or do research on, any procedure to take the life of an unborn child, except that such funds may be used in connection with only those medical procedures required to prevent the death of either the pregnant woman or her unborn child so long as every reasonable effort is made to preserve the life of each.

SEC. 5. PROHIBITION ON ENTERING INTO CERTAIN INSURANCE CONTRACTS.

Neither the United States, nor any agency or department thereof shall enter into any contract for insurance that provides for payment or reimbursement for any procedure to take the life of an unborn child, except that the United States, or an agency or department thereof may enter into contracts for payment or reimbursement for only those medical procedures required to prevent the death of either the pregnant woman or her unborn child so long as every reasonable effort is made to preserve the life of each.

SEC. 6. LIMITATIONS ON RECIPIENTS OF FEDERAL FUNDS.

No institution, organization, or other entity receiving Federal financial assistance shall—

(1) discriminate against any employee, applicant for employment, student, or applicant for admission as a student on the basis of such person's opposition to procedures to take the life of an unborn child or to counseling for or assisting in such procedures;

(2) require any employee or student to participate, directly or indirectly, in a health insurance program which includes procedures to take the life of an unborn child or which provides counseling or referral for such procedures; or

(3) require any employee or student to participate, directly or indirectly, in procedures to take the life of an unborn child or in counseling, referral, or any other administrative arrangements for such procedures.

SEC. 7. LIMITATION ON CERTAIN ATTORNEY'S FEES.

Notwithstanding any other provision of Federal law, attorneys' fees shall not be allowable in any civil action in Federal court involving, directly or indirectly, a law, ordinance, regulation, or rule prohibiting or restricting procedures to take the life of an unborn child.

SEC. 8. APPEALS OF CERTAIN CASES.

Chapter 81 of title 28, United States Code, is amended by inserting after section 1251, the following:

''§ 1251. Appeals of certain cases.

''Notwithstanding the absence of the United States as a party, if any State or any subdivision of any State enforces or enacts a law, ordinance, regulation, or rule prohibiting procedures to take the life of an unborn child, and such law, ordinance, regulation, or rule is declared unconstitutional in an interlocutory or final judgment, decree, or order of any court of the United States, any party in such a case may appeal such case to the Supreme Court, notwithstanding any other provision of law.''.

CIVIL RIGHTS OF INFANTS ACT

Mr. HELMS. In 1989, our distinguished colleague from New Hampshire, Senator Gordon Humphrey, first called attention to the incredibly brutal practice of abortions performed solely because prospective parents prefer a child of a gender different from that of the baby in the mother's womb.

The Civil Rights of Infants Act makes sure nobody could ever act upon this unthinkable decision by specifically amending title 42 of the United States Code governing civil rights. Anyone who administers an abortion for the purpose of choosing the gender of the infant will be subject to the same laws which protects any other citizen who is a victim of discrimination.

Nobody—even the most radical feminists—can ignore the absurdity of denying a child the right to life simply because the parents happened to prefer a child of the opposite gender. I hope the 106th Congress will swiftly act to fulfill the desires of the American people, who rightfully believe it is immoral to destroy unborn babies simply because the parents demand a child of a different gender.

S. 41

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 ''Civil Rights of Infants Act''.

SEC. 2. DEPRIVING PERSONS OF THE EQUAL PROTECTION OF LAWS BEFORE BIRTH.

Section 1979 of the Revised Statutes (42 U.S.C. 1983) is amended—

(1) by inserting ''(a)'' before ''Every person''; and

(2) by adding at the end the following:

''(b) For purposes of subsection (a), it shall be a deprivation of a 'right' secured by the laws of the United States for an individual to perform an abortion with the knowledge that the pregnant woman is seeking the abortion solely because of the gender of the fetus. No pregnant woman who seeks to obtain an abortion solely because of the gender of the fetus shall be liable for such abortion in any manner under this section.''.

FEDERAL ADOPTION SERVICES ACT OF 1999

Mr. HELMS. I am also pleased to intoduce the Federal Adoption Services Act of 1999. This bill proposes to amend title X of the Public Health Service Act to permit federally funded planning services to provide adoption services based on two factors: (1) the needs of the community in which the clinic is located, and (2), the ability of an individual clinic to provide such services.

Under this legislation, no woman will be threatened or cajoled into giving up her child for adoption. Family planning clinics will not be required to provide adoption services. Rather, this legislation will make it clear that Federal policy will allow, or even encourage adoption as a means of family planning. Women who use title X services, will be in a better position to make informed, compassionate judgments about the unborn children they are carrying.

With so many loving, caring parents available to care for unwanted children, the federal government should do everything it properly can to make sure that adoption is an alternative for expectant mothers. I hope my colleagues will join me in supporting this reasonable proposal.

S. 42

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 ''Federal Adoption Services Act of 1999''.

SEC. 2. ADOPTION SERVICES.

Section 1001(a) of the Public Health Service Act (42 U.S.C. 300(a)) is amended by inserting after the first sentence the following: ''Such projects may also offer adoption services. Any adoption services provided under such projects shall be nondiscriminatory as to race, color, religion, or national origin.''.

VOLUNTARY SCHOOL PRAYER PROTECTION ACT

Mr. HELMS. Mr. President, the Voluntary School Prayer Protection Act will make sure that student-initiated prayer is treated the same as all other student-initiated free speech—which the U.S. Supreme Court has upheld as constitutionally protected so long as it is done in an appropriate time, place and manner such that it ''does not materially disrupt the school day.'' [*Tinker* v. *Des Moines School District*, 393 U.S. 503.]

Under this bill, school districts could not continue—in constitutional ignorance—enforcing blanket denials of students' rights to voluntary prayer and religious activity in the schools. For the first time, schools would be faced with real consequences for making uninformed and unconstitutional

decisions prohibiting all voluntary prayer. The bill creates a complete system of checks and balances to make sure that school districts do not shortchange their students one way or the other.

This proposal, Mr. President, prevents public schools from prohibiting constitutionally protected voluntary student-initiated prayer. It does not mandate school prayer and suggestions to the contrary are simply in error. Nor does it require schools to write any particular prayer, or compel any student to participate in prayer. It does not prevent school districts from establishing appropriate time, place, and manner restrictions on voluntary prayer—the same kind of restrictions that are placed on other forms of speech in the schools.

What this proposal will do is prevent school districts from establishing official policies or procedures with the intent of prohibiting students from exercising their constitutionally protected right to lead, or participate in, voluntary prayer in school.

S. 43

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 ''Voluntary School Prayer Protection Act''.

SEC. 2. FUNDING CONTINGENT ON RESPECT FOR CONSTITUTIONAL SCHOOL PRAYER.

(a) IN GENERAL.—Notwithstanding any other provision of law, no funds made available through the Department of Education shall be provided to any State or local educational agency that has a policy of denying, or that effectively prevents participation in, constitutional prayer in public schools by individuals on a voluntary basis.

(b) LIMITATION.—No person shall be required to participate in prayer, or shall influence the form or content of any constitutional prayer, in a public school.

SAFE SCHOOLS ACT OF 1999

Mr. HELMS. Mr. President, government has no higher obligation than the protection of the most vulnerable among us—our children. Outside of their own home, there is no place that a child should feel more secure and protected than while at school.

That is why I joined with several other Senators last Congress in introducing the Safe Schools Act. This legislation directly confronts the issue of illegal drug use and juvenile violence by requiring schools that accept federal education funds to adopt a ''zero tolerance'' policy when a student is found in possession of illegal drugs at school.

The Safe Schools Act provides a logical and commonsense extension of 1994's Gun-Free Schools Act by conditioning receipt of federal education dollars on state adoption of a policy requiring the expulsion for not less than one year of any student who brings illegal drugs to school.

Anyone who questions the link between school violence and drugs should merely turn their attention to the results of a recent National Parents' Resource Institute for Drug Education survey, or PRIDE survey as it is called, which found that:

Gun-toting students were twenty times more likely to use cocaine than those who didn't bring a gun to school;

Gang members were twelve times more likely to use cocaine than non-gang members;

And students who threatened others were six times more likely to be cocaine users than others.

These frightening statistics combined with students own reports that drugs are the number one problem they face and that illegal drugs are readily available to students of all ages illustrate the need for immediate action. The Center on Addiction and Substance Abuse (CASA) at Columbia University has documented that two-thirds (66%) of students report that they go to schools where students keep, use and sell drugs and that over half (51%) of high school students believe the drug problem is getting worse. In contrast, CASA has found that most principals see drugs ''virtually nowhere.''

Mr. President, the Center for the Prevention of School Violence in North Carolina tracks the incidence of criminal acts on school property. For the last four years, ''possession of a controlled substance'' has been either the first or second most reported category of incident. It is past time that we restore an environment that is secure and conducive to the education of the vast majority of students who are eager to learn. Our students and teachers deserve nothing less.

S. 44

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

SECTION 1. SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended to read as follows:

"PART F—ILLEGAL DRUG AND GUN POSSESSION

"SEC. 14601. DRUG-FREE AND GUN-FREE REQUIREMENTS.

''(a) SHORT TITLE.—This section may be cited as the 'Safe Schools Act of 1999'.

''(b) REQUIREMENTS.—

''(1) IN GENERAL.—Each State receiving Federal funds under this Act shall have in effect a State law requiring local educational agencies to expel from school for a period of not less than 1 year a student who is determined—

''(A) to be in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or on a vehicle operated by an employee or agent of, a local educational agency in that State; or

''(B) to have brought a firearm to a school under the jurisdiction of a local educational agency in that State,

except that the State law shall allow the chief administering officer of the local educational agency to modify the expulsion requirement for a student on a case-by-case basis.

''(2) CONSTRUCTION.—Nothing in this title shall be construed to prevent a State from allowing a local educational agency that has expelled a student from the student's regular school setting from providing educational services to the student in an alternative setting.

''(c) SPECIAL RULE.—The provisions of this section shall be construed in a manner consistent with the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

''(d) APPLICATION.—Each local educational agency requesting assistance from a State educational agency that is to be provided from funds made available to the State under this Act shall provide to the State, in the application requesting assistance—

''(1) an assurance that the local educational agency is in compliance with the State law required by subsection (b); and

''(2) a description of the circumstances surrounding any expulsions imposed under the State law required by subsection (b), including—

''(A) the name of the school concerned;

''(B) the number of students expelled from the school; and

''(C) the type of illegal drugs, illegal drug paraphernalia, or firearms concerned.

''(e) REPORT TO SECRETARY.—Each State shall report the information described in subsection (d) to the Secretary on an annual basis.

''(f) REPORT TO CONGRESS.—Not later than two years after the date of enactment of the Safe Schools Act of 1999, the Secretary shall report to Congress with respect to any State that is not in compliance with the requirements of this part.

"SEC. 14602. POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.

''(a) IN GENERAL.—No funds shall be made available under this Act to any local educational agency unless the agency has a policy requiring referral, to the criminal justice or juvenile delinquency system, of any student who is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or on a vehicle operated by an employee or agent of, the agency, or who brings a firearm to a school under the jurisdiction of the agency.

''(b) DEFINITIONS.—For the purpose of this section, the term 'school' has the meaning given the term in section 921(a) of title 18, United States Code.

"SEC. 14603. DATA AND POLICY DISSEMINATION UNDER IDEA.

''The Secretary shall—

''(1) widely disseminate the policy of the Department, in effect on the date of enactment of the Safe Schools Act of 1999, with respect to disciplining children with disabilities;

''(2) collect data on the incidence of children with disabilities (as the term is defined in section 602 of the Individuals With Disabilities Education Act (20 U.S.C. 1401)) possessing illegal drugs, or illegal drug paraphernalia, on school property under the jurisdiction of, or on a vehicle operated by an employee or agent of, a local educational agency, engaging in life threatening behavior at school, or bringing firearms to schools; and

''(3) not later than 1 year after the date of enactment of the Safe Schools Act of 1999, prepare and submit to Congress a report analyzing the strengths and problems with the approaches regarding disciplining children with disabilities.

"SEC. 14604. DEFINITIONS.

''In this part:

''(1) FIREARM.—The term 'firearm' has the meaning given the term in section 921(a) of title 18, United States Code.

''(2) ILLEGAL DRUG.—

''(A) IN GENERAL.—The term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.).

''(B) EXCLUSION.—The term 'illegal drug' does not mean a controlled substance used pursuant to a valid prescription or as authorized by law.

''(3) ILLEGAL DRUG PARAPHERNALIA.—The term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of section 422(d) of the Act shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)' before the period.''.

(b) EFFECTIVE DATE.—This Act and the amendments made by this Act take effect 6 months after the date of enactment of this Act.

FREEDOM OF SPEECH ACT

Mr. HELMS. Mr. President, I am also pleased to introduce the Freedom of Speech Act, which makes sure that federal employees are not forced to check their moral beliefs at the door when they arrive at the federal workplace.

This bill attempts to make sure that President Clinton is not allowed to do by Executive Order what Congress has declined to enact in the past two Congressional sessions—namely, to treat homosexuals as a special class protected under various titles of the Civil Rights Act of 1964. Last year, President Clinton signed such an Executive Order, and in so doing, infringed upon the Constitutional rights of Federal employees who wish to express their moral and spiritual objections to the homosexual lifestyle.

President Clinton has instructed Federal agencies and departments to implement a policy that treats homosexuals as a special class protected under various titles of the Civil Rights Act of 1964. This necessarily prevents federal employees who have strong religious or moral objections to homosexuality from expressing those beliefs without running afoul of what amounts to a workplace speech code. Apparently, when the President's desire to write his belief system into federal workplace regulations conflicted with the First Amendment right to free speech, the Constitution lost.

Congress should jealously protect its Constitutional prerogative to make laws, and prevent the executive branch from creating special protections for homosexuals, particularly in a way that doesn't take into account the Constitutional right of freedom of speech enjoyed by all Federal employees. That is the purpose of the legislation I offer today.

Under this bill, no Federal funds could be used to enforce President Clinton's Executive Order #13807. Further, no Federal department or agency would be able to implement or enforce any policy creating a special class of individuals in Federal employment discrimination law. This bill will also prevent the Federal government from trampling the First Amendment rights of Federal employees to express their moral and spiritual values in the workplace.

Mr. President, for many years the homosexual community has engaged in a well-organized, concerted campaign to force Americans to accept, and even legitimize, an immoral lifestyle. This bill is designed to prevent President Clinton from advancing the homosexual agenda at the expense of both the proper legislative role and the free speech rights of Federal workers.

S. 45

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 ''Freedom of Speech Act''.

SEC. 2. PROHIBITION.

(a) IN GENERAL.—No agency, officer, or employee of the executive branch of the Federal Government shall issue, implement, or enforce any policy establishing an additional class of individuals that is protected against discrimination in Federal employment, other than a class of individuals specifically identified in a provision of Federal statutory law that prohibits employment discrimination against the class, including—

(1) title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.);

(2) the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.); and

(3) title V of the Rehabilitation Act of 1973 (29 U.S.C. 791 et seq.) or title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.).

(b) PROHIBITION ON USE OF FEDERAL FUNDS.—No agency, officer, or employee of the executive branch of the Federal Government shall use Federal funds to issue, implement, or enforce a policy described in subsection (a), including implementing and enforcing Executive Order 13087, including any amendment made by such order.

CIVIL RIGHTS RESTORATION ACT OF 1999

Mr. HELMS. Mr. President, the last of these bills is entitled the Civil Rights Restoration Act of 1999. Specifically, this legislation prevents Federal agencies, and the Federal courts, from interpreting Title VII of the Civil Rights Act of 1964 to allow an employer to grant preferential treatment in employment to any group or individual on account of race.

This proposal prohibits the use of racial quotas once and for all. During the past several years, almost every member of the Senate—and the President of the United States—have proclaimed that they are opposed to quotas. This bill will give Senators an opportunity to reinforce their statements by voting in a roll call vote against quotas.

Mr. President, this legislation emphasizes that from here on out, employers must hire on a race neutral basis. They can reach out into the community to the disadvantaged and they can even have businesses with 80 percent or 90 percent minority workforces as long as the motivating factor in employment is not race.

This bill clarifies section 703(j) of Title VII of the Civil Rights Act of 1964 to make it consistent with the intent of its authors, Hubert Humphrey and Everett Dirksen. Let me state it for the RECORD:

It shall be an unlawful employment practice for any entity that is an employer, employment agency, labor organization, or joint labor-management committee subject to this title to grant preferential treatment to any individual or group with respect to selection for, discharge from, compensation for, or the terms, conditions, or privileges of, employment or union membership, on the basis of the race, color, religion, sex, or national origin of such individual or group, for any person, except as provided in subsection (e) or paragraph (2).

It shall not be an unlawful employment practice for an entity described in paragraph (1) to recruit individuals of an under-represented race, color, religion, sex, or national origin, to expand the applicant pool of the individuals seeking employment or union membership with the entity.

Specifically, this bill proposes to make part (j) of Section 703 of the 1964 Civil Rights Act consistent with subsections (a) and (d) of that section. It contains the identical language used in those section to make preferential treatment on the basis of race (that is, quotas) an unlawful employment practice.

Mr. President, I want to be clear that this legislation does not make outreach programs an unlawful employment practice. Under language suggested years ago by the distinguished Senator from Kansas, Bob Dole, a company can recruit and hire in the inner city, prefer people who are disadvantaged, create literacy programs, recruit in the schools, establish day care programs, and expand its labor pool in the poorest sections of the community. In other words, expansion of the employee pool is specifically provided for under this act.

Mr. President, this legislation is necessary because in the 33 years since the passage of the Civil Rights Act, the Federal Government and the courts have combined to corrupt the spirit of the Act as enumerated by both Hubert Humphrey and Everett Dirksen, who made clear that they were unalterably opposed to racial quotas. Yet in spite of the clear intent of Congress, businesses large and small must adhere to hiring quotas in order to keep the all-powerful federal government off their backs. This bill puts an end to that sort of nonsense once and for all.

S. 46

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 ''Civil Rights Restoration Act of 1999''.

SEC. 2. PREFERENTIAL TREATMENT.

(a) UNLAWFUL EMPLOYMENT PRACTICE.—Section 703(j) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–2(j)) is amended to read as follows:

''(j)(1) It shall be an unlawful employment practice for any entity that is an employer, employment agency, labor organization, or joint labor-management committee subject to this title to grant preferential treatment to any individual or group with respect to selection for, discharge from, compensation for, or the terms, conditions, or privileges of, employment or union membership, on the basis of the race, color, religion, sex, or national origin of such individual or group, for any purpose, except as provided in subsection (e) or paragraph (2).

''(2) It shall not be an unlawful employment practice for an entity described in paragraph (1) to recruit individuals of an underrepresented race, color, religion, sex, or national origin, to expand the applicant pool of the individuals seeking employment or union membership with the entity.''.

(b) CONSTRUCTION.—Nothing in the amendment made by subsection (a) shall be construed to limit the authority of courts to remedy, under section 706(g) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–5(g)), intentional discrimination under title VII of such Act (42 U.S.C. 2000e et seq.).

Mr. HELMS. Mr. President, I do not pretend that enaction of this legislation will solve all of the pathologies of modern society. But taken as a whole, they seek to turn the tide of the increasing apathy—and in some cases, outright hostility—toward moral and spiritual principles that have marked late twentieth-century social policy.

The Founding Fathers knew what would become of a society that ignores traditional morality. I have often quoted the parting words of advice our first President, George Washington, left his beloved new Nation. He reminded his fellow citizens:

> Of all the dispensations and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute to patriotism who should labor to subvert these great pillars of human happiness.

Mr. President, that distinguished world leader, Margaret Thatcher, highlighted for us the words of Washington's successor, John Adams, who said ''our Constitution was designed only for a moral and religious people. It is wholly inadequate for the government of any other.''

Our Founding Fathers understood well the intricate relationship between freedom of responsibility. They knew that the blessings of liberty engendered certain obligations on the part of a free people—namely, that citizens conduct their actions in such a way that society can remain cohesive without excessive government intrusion. The American experiment would never have succeeded without the traditional moral and spiritual values of the American people—values that allow people to govern themselves, rather than be governed.

MEASURE READ FOR THE FIRST TIME—S. 40

Mrs. HUTCHISON. Mr. President, I understand that S. 40 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 40) to protect the lives of unborn human beings.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 41

Mrs. HUTCHISON. Mr. President, I understand that S. 41 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 41) to make it a violation of a right secured by the Constitution and laws of the United States to perform an abortion with the knowledge that the abortion is being performed solely because of the fetus.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 42

Mrs. HUTCHISON. Mr. President, I understand that S. 42 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 42) to amend title X of the Public Health Service Act to permit family planning projects to offer adoption services.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 43

Mrs. HUTCHISON. Mr. President, I understand that S. 43 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 43) to prohibit the provision of Federal funds to any State or local educational agency that denies or prevents participation in constitutional prayer in schools.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 44

Mrs. HUTCHISON. Mr. President, I understand that S. 44 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 44) to amend the Gun-Free Schools Act of 1994 to require a local educational agency that receives funds under the Elementary and Secondary Education Act of 1965 to expel a student determined to be in possession of an illegal drug, or illegal drug paraphernalia, on school property, in addition to expelling a student determined to be in possession of a gun, and for other purposes.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 45

Mrs. HUTCHISON. Mr. President, I understand that S. 45 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 45) to prohibit the executive branch of the Federal Government from establishing an additional class of individuals that is protected against discrimination in Federal employment, and for other purposes.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 46

Mrs. HUTCHISON. Mr. President, I understand that S. 46 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

> A bill (S. 46) to amend the Civil Rights Act of 1964 to make preferential treatment an unlawful employment practice, and for other purposes.

Mrs. HUTCHISON. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

ORDERS FOR WEDNESDAY, JANUARY 20, 1999

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate complete its business today it stand in adjournment until the hour of 11 a.m. on Wednesday, January 20. I further ask that immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved, and there then be a period of morning business until the hour of 1 p.m. I further ask consent that at 1 p.m. the Senate resume consideration of the articles of impeachment. I now ask unanimous consent that the time during morning business be divided as follows: The first hour under the control of Senator DASCHLE or designee; the second hour under the control of Senator COVERDELL or designee.

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

ORDERS FOR THURSDAY, JANUARY 21, AND FRIDAY, JANUARY 22, 1999

Mrs. HUTCHISON. I further ask consent that following the conclusion of the presentation on Wednesday, the Senate adjourn until the hour of 1 o'clock on Thursday to resume consideration of the articles of impeachment. I also ask consent that following the presentation on Thursday, the Senate then adjourn until the hour of 1 p.m. on Friday and again immediately resume consideration of the articles of impeachment.

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

RECESS UNTIL 1 P.M. TODAY

Mrs. HUTCHISON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in recess under the previous order.

There being no objection, at 11:46 a.m., the Senate, in legislative session, recessed to reconvene sitting as a Court of Impeachment, at 1 p.m.

TRIAL OF WILLIAM JEFFERSON CLINTON, PRESIDENT OF THE UNITED STATES

The CHIEF JUSTICE. The Senate will convene as a Court of Impeachment. The Sergeant at Arms will make the proclamation.

The Sergeant at Arms, James W. Ziglar, made proclamation as follows:

Hear ye! Hear ye! Hear ye! All persons are commanded to keep silent, on pain of imprisonment, while the Senate of the United States is sitting for the trial of the Articles of Impeachment exhibited by the House of Representatives against William Jefferson Clinton, President of the United States.

The CHIEF JUSTICE. The majority leader is recognized.

Mr. LOTT. Mr. Chief Justice, it is my understanding that the White House presentation today will last approximately 2½ hours—maybe a little more, maybe a little less. I therefore suggest that a short recess be taken in approximately an hour, around 2 o'clock, to allow the Chief Justice and all Members to have a brief break.

I remind all Senators to remain standing at their desk each time the Chief Justice enters or departs the Chamber. If there is a need for another break, I will keep an eye on the White House counsel to see if they need a break, and we will act accordingly.

Of course, I remind Senators again, tonight please be in the Chamber at 8:35 so we can proceed to the joint session.

I thank my colleagues and yield the floor. I believe we are ready to begin.

THE JOURNAL

The CHIEF JUSTICE. If there is no objection, the Journal of proceedings of the trial are approved to date.

Pursuant to the provisions of Senate Resolution 16, the counsel for the President have 24 hours to make the presentation of their case. The Senate will now hear you. The Chair recognizes Mr. Counsel Ruff to begin the presentation of the case for the President.

Mr. Counsel RUFF. Mr. Chief Justice, Members of the Senate, distinguished managers, William Jefferson Clinton is not guilty of the charges that have been preferred against him. He did not commit perjury; he did not obstruct justice; he must not be removed from office.

Now, merely to say those words brings into sharp relief that I and my colleagues are here today in this great Chamber defending the President of the United States. For only the second time in our Nation's history, the Senate has convened to try the President of the United States on articles of impeachment.

There is no one who does not feel the weight of this moment. Nonetheless, our role as lawyers is as much as it would be in any other forum. We will not be able to match the eloquence of the 13 managers who spoke to you last week. We will try, however, to respond to the charges leveled against the President as directly and candidly as possible, and to present his defense as clearly and as cogently as we are able. We seek on his behalf no more than we know you will give us—a fair opportunity to be heard, a fair assessment of the facts and the law, and a fair judgment. We will defend the President on the facts and on the law and on the constitutional principles that must guide your deliberations. Some have suggested that we fear to do so. We do not.

I begin with a recitation of some of the events that have brought us here today. Although many of them may be familiar, they merit some discussion because they form the backdrop against which you must assess the evidence.

I will then move to a discussion of the constitutional principles that, we submit, should guide your consideration of these matters and, finally, to an overview of the allegations contained in the articles, with a view toward focusing your attention on what we believe to be the principal legal and factual flaws in the case presented by the managers.

My colleagues will follow tomorrow and the following day with a more detailed analysis of the facts underlying the articles. At the end of our presentation, we will have demonstrated beyond any doubt that there is no basis on which the Senate can or should convict the President of any of the charges brought against him.

Let me begin with a brief recital of the essential events in the Paula Jones litigation which underlie so much of what we have been discussing for the last week.

On May 6, 1994, Paula Jones sued President Clinton in the U.S. District Court for the Eastern District of Arkansas. She claimed that then-Governor Clinton had made, in 1991, some unwelcomed overture to her in an Arkansas hotel room and that she suffered adverse employment consequences and was subsequently defamed.

After the Supreme Court decided in May 1997 that civil litigation against the President could go forward while he was in office, the case was remanded to the district court, and over the fall and winter of 1997, the Jones lawyers deposed numerous witnesses. And inevitably, despite the strict protective order entered by Judge Wright, and continuing exhortation to counsel not to discuss any aspect of the case with the press, information flowed from those depositions into the public forum clearly with only one purpose—to embarrass the President.

The principal focus of the discovery being conducted by the Jones lawyers during this period was not on the merits of their client's case. They devoted most of their time and their energy to attempt to pry into the personal life of the President. Mr. Bennett, the President's counsel, objected to those efforts on the grounds they had no relevance to Ms. Jones' claims and intended to do nothing other than to advance the

agenda of those who were supporting the Jones lawsuit. The Jones lawyers, however, pursued their efforts to inquire into the President's relations with other women, and on December 11, 1997, Judge Wright issued an order allowing questioning regarding only ''any individuals with whom the President had sexual relations or proposed or sought to have sexual relations and who were during the relevant timeframe a State or Federal employee.''

Then on December 5, 1997, the Jones lawyers placed on their witness list the name of Monica Lewinsky. And on December 19, she was served with a subpoena for her deposition to be scheduled in January.

Consistent with rulings issued by Judge Wright in connection with the Jones lawyers' efforts to secure the testimony of a number of other women, some have sought to avoid testifying by submitting affidavits to the effect that they had no knowledge relevant to Ms. Jones' lawsuit, or that they otherwise do not meet the test that Judge Wright had established before permitting this invasive discovery to go forward.

On January 7, 1998, Ms. Lewinsky did execute such an affidavit, and her lawyer provided copies to the lawyers for Ms. Jones and for the President on January 15.

The Jones lawyers deposed the President on January 17, 1998. They began the deposition by proffering to him a multiparagraph definition of the term ''sexual relations'' that they intended to use in questioning him. There followed an extended debate among counsel and the court concerning the propriety and the clarity of that definition. Mr. Bennett objected to its use, arguing that it was unclear, that it would encompass conduct wholly irrelevant to the case, and that it was unfair to require the President to apply a definition that he had never seen before to each question he was asked. Indeed, Mr. Bennett urged the lawyers for Ms. Jones to ask the President specific questions about the conduct, but they declined to do so.

Judge Wright acknowledged the overbreadth of the definition, but she ultimately determined that the Jones lawyers could use the heavily edited version of the definition that left in place only the two lines of paragraph 1, of which you are already familiar. Immediately after the extended legal skirmishing, the Jones lawyers began asking him about Monica Lewinsky.

Mr. Bennett objected, questioning whether counsel had a legitimate basis for their inquiry in light of Ms. Lewinsky's affidavit denying a relationship with the President. Judge Wright overruled that objection and permitted the Jones lawyers to pursue their inquiry. Four days later, the independent counsel's investigation became a public matter.

On January 29, responding to a request by independent counsel to bar further inquiry related to Ms. Lewinsky, Judge Wright ruled that evidence relating to her relationship with the President would be excluded from the trial. She reaffirmed this ruling on March 9 stating that the evidence was not ''essential to the core issues in this case of whether the plaintiff herself was the victim of sexual harassment, hostile work environment, or intentional infliction of emotional distress.'' On April 1, 1998, Judge Wright—

I apologize for the logistical problem. Why don't I just hold it.

On April 1, 1998, Judge Wright granted summary judgment in favor of President Clinton dismissing the Jones suit in its entirety. She ruled that no evidence that Ms. Jones had offered or that her lawyers had discovered made out any viable claim of sexual harassment or intentional infliction of emotional distress. Importantly, Judge Wright ruled that evidence of any pattern or practice of comparable conduct by the President was not important to the case.

I want to take just a moment to read the relevant portions of Judge Wright's opinion, not to demean in any sense plaintiff's claims of sexual harassment or to suggest that it must be other than vigilant to protect the rights of all citizens, but simply to bring into slightly sharper focus the role that the President's deposition played in the real Jones litigation. Judge Wright wrote:

> Whatever relevance such evidence may have to prove other elements of plaintiff's case, it does not have anything to do with the issue presented by the President's and Ferguson's motions for summary judgment—i.e. whether plaintiff herself was the victim of alleged quid pro quo or a hostile work environment or sexual harassment; whether the President and Ferguson conspired to deprive her of her civil rights or whether she suffered emotional distress so severe in nature that no reasonable person could be expected to endure it. Whether other women may have been subjected to workplace harassment and whether such evidence has allegedly been suppressed does not change the fact that plaintiff has failed to demonstrate that she has a case worthy of submitting to a jury.

Ms. Jones appealed Judge Wright's decision to the Eighth Circuit. She heard arguments on October 20, 1998, and on November 13, 1998, before the decision was rendered, Ms. Jones and the President settled the case.

Briefly then, to what was happening on the front of the independent counsel's office, in mid-January 1998, Linda Tripp had brought to the independent counsel information that she had been gathering surreptitiously for months about Ms. Lewinsky's relationship with the President and her involvement in the Jones case. And thus, began the penultimate chapter.

As you will see, Ms. Tripp's relationship with Ms. Lewinsky and her role in these matters was more than merely a backdrop to the succeeding events. Independent counsel met with Ms. Tripp and formally granted her immunity from Federal prosecution and promised to assist her in securing immunity from State prosecution where she had been illegally taping the telephone calls with Ms. Lewinsky. On January 13, Ms. Tripp agreed to tape a conversation with Ms. Lewinsky under FBI auspices. And on January 15, armed with that tape, the independent counsel's office first contacted the Department of Justice to seek permission from the Attorney General to expand its jurisdiction to cover the investigation that had already begun. On January 16, that permission was granted by the special division of the court of appeals.

Now, the President's deposition was scheduled to take place the very next day—Saturday, January 17. On the 16th, Ms. Tripp invited Ms. Lewinsky to have lunch with her at the Pentagon City Mall. There she was greeted by four FBI agents and independent counsel lawyers and taken to a hotel room where she spent the next several hours. Ms. Tripp was in the room next door for much of that time. When she left that evening, she went home to meet with the Jones lawyers with whom we know she had been in contact for many months in order to brief them about her knowledge of the relationship between Ms. Lewinsky and the President so that they, in turn, could question the President the next morning.

As the independent counsel himself has acknowledged, Ms. Tripp was able to play this oddly multifaceted role. Because it was part of her immunity agreement, the OIC could have prevented her from talking about Ms. Lewinsky. They inexplicably chose not to.

The existence of the OIC investigation was made public on January 21 in an edition of the Washington Post with the all-consuming focus of media coverage for the ensuing 8 months.

On August 17, the President's deposition was taken by the independent counsel for use by the grand jury, and on September 9, there was delivered to the House of Representatives a referral of Independent Counsel Starr containing what purported to be the information concerning acts ''that may constitute grounds for impeachment.'' The referral was accompanied by some 19 boxes of documents, grand jury transcripts, and a videotape of the grand jury testimony.

The referral was made public by the House on September 11. On September 21, additional materials were released, along with the President's grand jury videotape that was then played virtually nonstop on every television station in the country during that day.

The committee held a total of 4 days of hearings, one for preliminary presentations by the majority and minority

counsel, one for testimony by Independent Counsel Starr, and two in which the President was permitted to call witnesses and present his defense.

In addition, the constitutional subcommittee held the one hearing on the standards for impeachment, and the committee convened in its oversight capacity to hear witnesses on the meaning of perjury. The committee called no fact witnesses.

Despite numerous efforts to extract from the committee some description of the specific charges against which the President would have to defend himself, it was not until approximately 4:30 on December 9, as I was completing my testimony before the committee, that any such notice was provided, and then it came in the form of four draft articles of impeachment.

Three days later, the committee reported out those articles, and on December 9 the House completed its action, referring to the Senate article I, the charge of perjury in the grand jury; defeated article II, which alleged perjury in the Jones deposition; exhibited article III, which charged obstruction of justice; and defeating article IV, which alleged false statements to the House of Representatives.

And so we are here. But before moving on, let me pause on an important procedural point. Although the Senate has asked that the parties address the issue of witnesses only after these presentations are being completed, the managers spent much of their time last week explaining to you why, if only witnesses could be called, you would be able to resolve all of the supposed conflicts in the evidence. Tell me, then, how is it that the managers can be so certain of the strength of their case? They didn't hear any of these witnesses. The only witness they called, the independent counsel himself, acknowledged that he had not even met any of the witnesses who testified before the grand jury. Yet, they appeared before you to tell you that they are convinced of the President's guilt and that they are prepared to demand his removal from office.

Well, the managers would have you believe that the Judiciary Committee of the House were really nothing more than grand jurors, serving as some routine screening device to sort out impeachment chaff from impeachment wheat. Thus, as they would have it, there was no need for anything more than a review of the cold record prepared by the independent counsel; no need for them to make judgments about credibility or conflicts. Indeed, they offered you a short lesson in grand jury practice, telling you that U.S. attorneys do this thing all the time, that calling real, live witnesses before a grand jury is the exception to the rule. Well, it has been a few years since I served as U.S. attorney for the District of Columbia, so there may have been a change in the way prosecutors go about their business, but I don't think so.

And so what lesson can be learned from the process followed by the House? I suggest that what you have before you is not the product of the Judiciary Committee's well-considered, judicious assessment of their constitutional role. No, what you have before you is the product of nothing more than a rush to judgment.

And so how should you respond to the managers' belated plea that more is needed to do justice? You should reject it. You have before you all that you need to reach this conclusion: There was no basis for the House to impeach, and there is no, and never will be any, basis for the Senate to convict.

Now, the managers have not shown, and could not on this record or any record prove, that the President committed any of the offenses committed in any of the articles. But even if they could, these offenses would not warrant your deciding to remove the President from office.

In this regard, an impeachment trial is unlike any other. You are the judges of the law and the facts and the appropriate sanctions. Before casting a vote of guilty or not guilty, you must decide not only whether the President committed the acts with which he is charged but whether those acts so seriously undermined the integrity of our governmental structure that he must be removed from office.

I want to deal here for just a moment with an argument that was advanced in the press by one of the managers, and that is that the question whether the offenses described in the articles are impeachable is not really before you, that it has already been decided by the House. As the manager put it in a press interview, ''Are these impeachable offenses, which I think has already been resolved by the House? I think constitutionally that's our job to do.''

Now, I trust, in light of last week's extended discussion, that the managers no longer press that notion, for it was remarkable in at least three respects. First, it is entirely inconsistent with the ''don't worry about it; this is just a routine procedural process; leave the difficult decisions to the Senate'' argument so frequently heard during the proceedings in the House. Second, it is an argument that rings hollow coming from those who did not even debate the constitutional standards or seek any consensus on what those standards should be. And third, and most importantly, it arrogates to the House the critical constitutional judgment which is yours alone.

Far be it for me, or indeed anyone else, to instruct this body on its constitutional role, but I do think it would help us all to be reminded of the words of Alexander Hamilton in Federalist No. 65, because impeachment necessarily deals with injuries done immediately to society. Alexander Hamilton wrote:

> The prosecution of them for this reason will seldom fail to agitate the passions of the whole community, and to divide it into parties more or less friendly or inimical to the accused. In many cases it will connect itself with the preexisting factions, and will enlist all their animosities, partialities, influence, and interest on one side or on the other; and in such cases there will always be the greatest danger that the decision will be regulated more by the comparative strength of the parties than by the real demonstrations of innocence or guilt.
>
> The delicacy and magnitude of a trust which so deeply concerns the political reputation and existence of every man engaged in the administration of public affairs speak for themselves. The difficulty of placing it rightfully in a government resting entirely on the basis of periodical elections will as readily be perceived, when it is considered that the most conspicuous characters in it will, from that circumstance, be too often the leaders or the tools of the most cunning or the most numerous faction, and on this account can hardly be expected to possess the requisite neutrality towards those whose conduct may be the subject of scrutiny.

And then:

> The convention, it appears, thought the Senate the most fit depositary of this important trust.

Now, the President may be removed from office only upon impeachment for and conviction of treason, bribery or other high crimes and misdemeanors. The offenses charged here, even if supported by the evidence, do not meet that lofty standard, a standard that the framers intentionally set at this extraordinarily high level to ensure that only the most serious offenses and in particular those that subverted our system of government would justify overturning a popular election. Impeachment is not a remedy for private wrongs. It is a method of moving someone whose continued presence in office would cause grave danger to the Nation. Listen to the words of 10 Republican Members of the 1974 Judiciary Committee, one of whom now sits in this body.

After President Nixon's resignation, in an effort to articulate a measured and a careful assessment of the issues they had confronted, they reviewed the historical origins of the impeachment clause and wrote:

> It is our judgment, based upon this constitutional history, that the framers of the United States Constitution intended that the President should be removable by the legislative branch only for serious misconduct, dangerous to the system of government established by the Constitution. Absent the element of danger to the State, we believe the delegates to the Federal convention of 1787, in providing that the President should serve for a fixed elective term rather than during good behavior or popularity, struck the balance in favor of stability in the executive branch.

Where did this lesson in constitutional history come from? It came directly from the words of the framers in

1787. Impeachment was no strange, arcane concept to them. It was familiar to them as part of English constitutional practice and was part of many State constitutions. It is therefore not surprising that whether to make provision for impeachment of the President became the focus of contention, especially in the context of concern whether in our new republican form of government the legislature ought to be entrusted with such a power. On this latter point, perhaps foretelling the notion that impeachment ought to be a matter of constitutional last resort, Benjamin Franklin noted that it at least had the merit of being a peaceful alternative to revolution.

Governor Morris, one of the principal moving forces behind the language that ultimately emerged from the convention, believed that provision for impeachment should be made but that the offenses must be limited and carefully defined. His concern was very clearly for the corrupt President who may be bribed by a greater interest to betray his trust, as he wrote, and ''no one ought to say that we ought to expose ourselves to the danger of seeing the first magistrate in foreign pay without being able to guard against it by displacing him.''

Drafts as they emerged from the convention moved through one that authorized impeachment for treason or bribery or corruption, and then the more limited treason or bribery, until the critical debate of December 8, 1787, when, pointing to their then-current example of the impeachment of Warren Hastings, George Mason moved to add the word ''maladministration'' to that definition. It was in the face of objections from James Madison and Morris, however, that this term was too vague and would be the equivalent to tenure during the pleasure of the Senate, that Mason withdraw his proposal and the convention then adopted the language ''other high crimes and misdemeanors against the State.'' As Morris put it, ''an election every 4 years will prevent maladministration.''

There is no question that the framers viewed this language as responsive to Morris' concerns that the impeachment be limited and well defined. To argue, then, as the managers do, that the phrase ''other crimes and misdemeanors'' was really meant to encompass a wide range of offenses that one might find in a compendium of English criminal law simply flies in the face of the clear intent of the framers who carefully chose their language, knew exactly what those words meant, and knew exactly what risks they intended to protect against.

Looking back on this drafting history, the 1974 minority report described the purpose of the framers in these words:

> They were concerned with preserving the Government from being overthrown by the treachery or corruption of one man.

Now, the managers have made fun of the notion that hundreds of distinguished scholars and historians expressed their opinion that the offenses with which the President has been charged are not high crimes or misdemeanors. Indeed they suggested—not too subtly—that they must have signed those letters because they were political supporters of the President. To quote them, ''You go out and obtain from your political allies and friends in the academic world—to sign a letter saying the offenses alleged in the articles of impeachment do not rise to the level of impeachable offenses.''

Well, as I understand the managers' position, it is that Garry Wills sold his intellectual soul because he is a political supporter of the President; Stephen Ambrose sold his political soul—his intellectual soul because he is a political supporter of the President; C. Vann Woodward sold his intellectual soul because he is a political supporter of the President.

Is it possible, instead, that distinguished scholars of all political persuasions thought it important to offer their professional opinion on a matter of the greatest historical and legal import, because they cared about our country? Because they cared that the constitutional process not be debased?

Perhaps, if the majority members of the full Judiciary Committee had paused for even a moment to consider these issues, if they had taken even a few hours to debate the question of what constitutional standards apply, one might now give greater credence to the belated constitutional exposition that they have offered here. Instead, perhaps the majority was convinced by their own rhetoric, by the oft-repeated mantra that impeachment is merely a preliminary step in the process and that the House need not be concerned with its weighty constitutional duty and saw little reason to explore the constitutional underpinning of that duty. Or perhaps they understood that a full and candid explanation would reveal that the proposed articles had no constitutional underpinning at all.

Now, the central premise of the managers' argument appears to be this: Perjury is an impeachable offense no matter the forum or the circumstances in which it is committed. Second, judges have recently been convicted and removed on the basis of articles charging that they committed perjury. The President committed perjury, therefore the President must be removed as well.

That premise is simple but wrong. The first leg on which it rests was removed by the House itself when it voted to defeat article II, alleging perjury in a civil deposition, and the House thus rejected the committee's core argument that perjury in a civil deposition warrants impeachment as much as perjury in any other setting. As to the committee's view that the constitutional standard for impeachment requires that all perjury be treated alike; thus, the House concluded no, and properly so.

And as to the committee's view that it makes no difference whether perjury occurs in one forum or another, in a private or an official proceeding, again the House said no, and properly so.

What, then, of the managers' argument that the Senate's recent conviction of three judges requires a conviction on the articles before you today? Again, they simply have it wrong, both as a matter of Senate precedent and as a matter of constitutional analysis. They argue that because a judge is obliged to faithfully carry out the law just as the President is, each must be removed if he commits perjury or obstructs justice. Judges and Presidents, and one would presume, all other civil officers if you follow their argument to its logical conclusion, including Assistant Secretaries and others, must in their view be removed from office if the Senate finds that they committed either offense—removed without a second thought. But judges are different. Indeed, every civil officer other than the President of the United States is different. They are different because before deciding whether to impose the ultimate sanction of removal the Senate must weigh in the balance dramatically different considerations.

First, the answer to the ultimate impeachment question—that is, whether the conduct charged so undermines the official's capacity to perform his constitutional duties that removal is required despite the institutional trauma it may cause—must be very different for one of 900 or 1,000 judges with lifetime tenure who can only be removed by impeachment than it is for one person elected every 4 years by the people to serve as the head of the executive branch. Surely the managers recognize that the Senate here faces a far different question, a far different constitutional issue than it did, for example, when it asked whether Judge Nixon, convicted and imprisoned for perjury, should be permitted to retain his office; or whether Judge Hastings, who lied about taking a bribe to fix a case before him, should remain on the bench.

Indeed, a telling rejoinder to the House managers' argument comes from President Ford. On many occasions, we have all seen cited his statement in 1970, in connection with the proposal to impeach Associate Justice William O. Douglas, that impeachment is, in essence, whatever the majority of the House of Representatives considers it to be. But no one really notes the more important part of President Ford's statement 29 years ago. I am going to read it to you:

> I think it is fair to come to one conclusion, however, from our history of impeachments.

A higher standard is expected of Federal judges than of any other civil officers of the United States. The President and the Vice President and all persons holding office at the pleasure can be thrown out of office by the voters at least every 4 years. To remove them in midterm—it has been tried only twice and never done—would, indeed, require crimes of the magnitude of treason and bribery.

The Senate must ask here whether the conduct charged against President Clinton would, in its nature, be inconsistent with a decision to allow him to continue to perform the duties of his office, just as you would ask, if you had a judge before you or another civil officer before you, whether the charges are similarly inconsistent with the notion that he or she should be allowed to continue to perform those duties.

As former House Judiciary Committee Chairman Peter Rodino, who surely understood the difference between impeaching a President and impeaching a judge, explained during the Claiborne proceedings before this body:

The judges of our Federal courts occupy a unique position of trust and responsibility in our government. They are the only members of any branch that hold their office for life. They are purposely insulated from the immediate pressures and shifting currents of the body politic. But [he said] with the special prerogative of judicial independence comes a most exacting standard of public and private conduct.

A similar theme can be found running through the debate in very recent years over a proposal to establish a process other than impeachment for the removal of judges who fail to live up to the good behavior standard. Both the proponents of the proposal and the legal opinion offered in support of it emphasize that the standard to which judges must adhere is stricter than the impeachment standard, noting that ''the terms treason, bribery and other high crimes and misdemeanors are narrower than the malfeasance in office and failure to perform the duties of the office which may be grounds for forfeiture of office held during good behavior.''

Thus, whether weighing the constitutional or governmental implications of removal or asking whether the accused can be expected to perform his duties, the Senate has always recognized that the test will be different depending on the office that the accused holds.

This analysis is wholly consistent with the framers' intent in drafting the impeachment clause that removal of a President by the legislature must be an act of last resort when the political process can no longer protect the Nation. Nothing in the cases brought before the Senate in the last 210 years suggests a different result.

The managers also attribute to the President the argument that impeachment can never reach personal conduct. That is not our position. As I told the Judiciary Committee on December 9 when I testified before them, not all serious misconduct flowing from one of the President's official roles is impeachable; neither is all serious misconduct flowing from his personal conduct immune from impeachment. Judgments must be made and they must be based on the core principles that inform the framers' decision.

But the managers would, in effect, ask you to eschew making these judgments. They speak of perjury and obstruction of justice in general terms and they argue that they are offenses inimical to the system of justice.

No one here would dispute that simplistic proposition. But the managers will not walk with you down the difficult path. They will not speak of facts, of differing circumstances and differing societal interests. They will not because they do not appear to recognize that those questions must be asked.

Perhaps the one exception to this was in the very last moment of Chairman Hyde's closing when he suggested, with what might to many seem almost an inverted logic, that a lie to spare embarrassment about misconduct on a private occasion is more deserving of removal than a lie about, as he described it, important matters of state.

Although I submit that that conclusion might have struck the framers as somewhat odd, one can certainly conceive of acts arising out of personal conduct that would warrant conviction and removal, but you cannot ignore the circumstances in which the conduct occurs or abandon the core principle that impeachment should be reserved for those cases in which the President's very capacity to govern is called into question.

Perjury about some official act may indeed be a constitutionally acceptable basis for impeachment. Perjury about a purely private matter should, at the very least, lead this body to question whether, no matter how seriously we take the person's violation, for example, of the witness' oath, the drastic remedy of removal from office is the proper response. Indeed, in a sense, that is the message sent by the House when it defeated article II.

The principle that guides your deliberations, I suggest, must not only be faithful to the intent of the framers, it must be consistent with the governmental structure that they gave us and the delicate relationship between the legislative branch and the executive branch that is the hallmark of that structure. It must, above all, reflect the recognition that removal from office is an act of extraordinary proportions, to be taken only when no other response is adequate to preserve the integrity and viability of our democracy.

On this point—and here I will fend off the wrath or maybe the scorn of the managers by quoting not a scholar or a professor but, rather, a witness called by the majority members of the Judiciary Committee to testify as an expert on the issue of perjury, a witness who had served on the Judiciary Committee in 1974. Judge Charles Wiggins told the members of the committee this:

When you are called upon, as I think you will be called upon, to vote as a Member of the House of Representatives, your standard should be the public interest. And I confess to you [said Judge Wiggins] that I would recommend that you not vote to impeach the President.

Beyond the impression of what constitutes an impeachable offense, each Senator must also confront the question of what standard the evidence must meet to justify a vote of guilty.

We recognize that the Senate has chosen in the Claiborne proceedings, and elsewhere, not to impose on itself any single standard of proof, but rather to leave that judgment to the conscience of the individual Senator. Many of you were present for debate on that issue and chose a standard for yourselves. Many of you come to the issue afresh. And none of you, thankfully, has had to face the issue in the setting of a Presidential impeachment.

Now, we argued before the Judiciary Committee that it must treat a vote to impeach as a vote to remove and that that judgment ought not be based on anything less than a clear and convincing standard, a standard, indeed, adopted by the Watergate committee 25 years ago. And surely no lesser standard should be applied here. Indeed, we submit to you that given the gravity of the decision you must reach, each of you should go further and ask whether the House has established guilt beyond a reasonable doubt. And this submission is made even more compelling by the managers' own position in which they made clear to you last week that proof of criminal conduct, in their view, was required to justify conviction.

Now, lawyers and laymen too often, I think, treat the standard of proof as meaningless legal jargon, with no real application to the world of difficult decisions. But I suggest to you that it is much more than that. It is the guidepost that shows you the way through the labyrinth of conflicting evidence. It tells you to look within yourself and ask, Would I make the most important decisions of my life based on the level of certainty I have about these facts, and in the unique legal political setting of an impeachment setting that protects against partisan overreaching and it assures the public that a grave decision is being made with due care? It is the disciplining force I think that you will carry with you into your deliberations.

And let me say that even if the clear and convincing standard that you apply for judicial impeachments—it does not follow that it should be applied where the Presidency itself is at stake. With judges, the Senate must

weigh and balance its concern for the independence of the judiciary against the recognition that, because a judge is appointed for life, impeachment is the only available method for removing from office those who are corrupt.

On the other hand, when a President is on trial, the balance is very different. Here you are asking, in effect, to overturn the will of the electorate, to overturn the results of an election held 2 years ago in which the American people selected the head of one of the three coordinate branches of Government.

Moreover, you have been asked to take this action in circumstances where, even taking the darkest view of the managers' position, there is no suggestion of corruption or misuse of office or any other conduct that places our system of Government at risk in the 2 remaining years of this President's term, when once again the people will get the chance to decide who should lead them. In this setting, we submit, you should test the evidence by the strictest standard you know.

I want to talk for a few minutes about what we see as the constitutional deficiency of the articles you have before you. When the framers took from English practice the parliamentary weapon of impeachment, they recognized that the form of the Government that they had created, with its finely tuned balance among the branches, was inconsistent with the parliamentary dominance inherent in the English model. They chose, therefore, to build a quasi-judicial impeachment process, one that had, admittedly, political overtones but that carried with it the basic principles of due process embodied in the Constitution they had written.

Among those principles is the sixth amendment's guarantee that the accused shall have the right to be informed of the nature and cause of the accusation against him. That right has been recognized to have special force in perjury cases, where it is the rule uniformly enforced by the courts that an indictment must inform the defendant specifically what false statement he is alleged to have made.

This is not some mere technicality; it is the law. It is the law because our courts have recognized that if a criminal charge is to be based on the words uttered by a fallible human being, he must be allowed to defend the truthfulness of the specific words he used and not be convicted on the basis merely of some prosecutor's summary or interpretation. This is not some legal nicety that the House of Representatives can ignore, as it has many other elements of due process. This is not an argument we raise with this body merely in passing as a lawyer's gambit. This is an important principle of our jurisprudence. And I suggest that it is one that this body must honor. There is not a court anywhere—from highest to lowest—that would hesitate, if they were confronted with an indictment written like these articles, to throw it out.

Indeed, if you want some evidence of how others have perceived this issue, look to the Hastings and Nixon cases, in both of which, the articles charging impeachment specifically stated the false statements that they were accused of having made.

Why, if the House understood the importance of specificity in those cases, did it not understand the, if anything, greater importance of telling the President of the United States what he was charged with? If you compare the closing argument of majority counsel and the majority report filed by the committee and the trial brief filed by the House and the presentation of the managers last week, you will begin to understand what has happened here.

I challenge any Member of the Senate—indeed, any manager —to identify the charges that the House authorized them to bring. Just to take one example, we do not know to a certainty that the House decided—or we do know with certainty that the House decided not to charge perjury in the civil deposition. Yet, to listen to the managers' presentation last week, one would be hard put to conclude that they understood that. They have, in essence, treated these articles as empty vessels, to be filled with some witch's brew of charges considered, charges considered and abandoned, and charges never considered at all.

Both article I and article II are constitutionally deficient for other reasons as well. In particular, each charge's multiple offenses is therefore void, in the criminal justice vernacular, for duplicity because in a criminal case, and here as well, lumping multiple offenses together in one charging document creates a risk that a verdict may be based not on a unanimous finding of guilt as to any particular charge but, instead, may be composed of multiple individual judgments. And that risk is in direct violation of the requirement of the Constitution that this body agree by a two-thirds majority before the President may be removed.

Now, the House responds to the President's concerns in this regard by arguing that, well, the amendment of Senate rule 23, which prohibits division of the articles, somehow addresses this concern and that our argument would undermine the Senate's own rules. But that is not so. Rule 23 was approved to permit the most judicious and effective handling of the questions presented to the Senate. It cannot be that the Senate, in passing that rule—and you know surely better than I—decided to purchase efficiency in impeachment proceedings at the price of violating the Constitution, the mandate to ensure a two-thirds vote for removal.

Now, 3 years after the revision of rule 23, in the trial of Judge Nixon, this very issue was presented. And Senator KOHL captured that problem. Although the first and second articles of impeachment alleged that Judge Nixon had committed specific violations of the perjury statute, the third article was a catchall, alleging that he made ''one or more'' of 14 different false statements. And I would note for you that that language, ''one or more,'' was identical to the language specifically inserted into article I at the request of Congressman ROGAN during the Judiciary Committee proceedings.

In addressing the propriety of such a charging device, Senator KOHL said, ''The managers should not be allowed to use a shotgun or blunderbuss. We should send a message to the House. Please do not bunch up your allegations. Charge each act of wrongdoing in a separate count. Such a change would clarify things and allow for a cleaner vote on guilt or innocence.''

Senator Dole, who surely knew something about Senate rules and precedent, certainly didn't think that rule 23 bound the result in that Nixon case. He first voted to dismiss article III and then later voted to acquit Judge Nixon because it was redundant, complex, and confusing. Thirty-three Senators joined Senator Dole in voting to dismiss the article, and a total of 40 voted to acquit when it came to a judgment of guilt or innocence.

Senators KOHL, BIDEN, and MURKOWSKI each spoke about the danger posed by this formulation. And I will look once more to Senator KOHL. This wording presents a variety of problems. First of all, it means that Judge Nixon can be convicted even if two-thirds of the Senate does not agree in which his political statements were false. The House is telling us that it is OK to convict Judge Nixon on article III even if we have different visions of what he did wrong. But that is not fair to Judge Nixon, to the Senate, or to the American people.

Those Senators were not acting in derogation of Senate Rules or precedents. They were acting in the spirit of fairness to the accused and in the very best tradition of American due process.

The CHIEF JUSTICE. The Chair recognizes the majority leader.

RECESS

Mr. LOTT. Mr. Chief Justice, I believe that counsel has indicated he is ready to take a break, so I ask unanimous consent that we take a brief 15-minute recess.

There being no objection, at 2:02 p.m., the Senate recessed until 2:21 p.m.; whereupon, the Senate reassembled when called to order by the Chief Justice.

The CHIEF JUSTICE. The Chair recognizes the majority leader.

Mr. LOTT. Mr. Chief Justice, I believe we will continue now with a further statement from Counsel Ruff.

The CHIEF JUSTICE. The chair recognizes Mr. Counsel Ruff to continue his presentation.

Mr. Counsel RUFF. Thank you, Mr. Chief Justice.

My first question is: Is it working?

Thank you, very much. I apologize for the mechanical difficulties earlier. I could quickly go back over the first hour. [Laughter.]

I want now to move to an overview of the articles of impeachment themselves. As I said, as I came to the end of the first hour, these articles are constitutionally defective. They are also unsupported by the evidence. As we have noted, both articles are framed in the broadest generalities and pose multiple different defenses. Nothing contained in the Judiciary Committee's majority report, or in the trial brief, or in the presentation of the managers cure the constitutional infirmity that infects these articles. Nonetheless, in framing our defense, they provide the only way through this uncharted landscape.

We have divided our substantive response to the articles into three parts.

Tomorrow, Mr. Craig will address the charges in article I—that the President committed perjury before the grand jury.

Second, Ms. Mills will address those parts of article II that charge the President with obstructing justice by causing concealment of gifts he had given to Ms. Lewinsky, and that he engaged in witness tampering in his conversations with Ms. Currie.

Third, Mr. Kendall will address the remaining allegations of obstruction on Thursday, and then we will close by hearing from Senator Bumpers.

Before I move to an overview of the articles and the response that you will hear over the next couple of days, I want to suggest to you an approach to one of the most difficult questions that you face: How does one sitting in judgment on a case like this test the liability of what he or she hears in the proceedings? Let me offer one test.

Those of you who have practiced on one side or the other in the criminal justice system know that the system places a special responsibility on a prosecutor—a burden to be open, candid, and forthcoming in their arguments, and most importantly, in representing the facts so that when a prosecutor recites the facts he is not expected to ignore the unfavorable ones. He is expected to be open with judge and jury. Of course, he can make an argument as to why a particular fact is really not so important that he can neither conceal it nor misrepresent it. When you hear a prosecutor, or a team of prosecutors, misstate a fact or not tell you the whole story, you should wonder why. You should ask yourself whether the misstatement is an error, or whether it signals some underlying flaw in the prosecution's case, or some problem that they are trying to conceal. And you ought to be particularly skeptical when the fact that is concealed or isn't fully revealed is claimed by the prosecutors themselves to be crucial to their case.

We all sometimes speak with less than complete care, and we are justly criticized when we make mistakes. If I tell you something inadvertently that proves to be wrong, I expect to be held to account for that. And similarly, we must hold the managers accountable for their mistakes.

Last week, for example, you will recall that Mr. Manager SENSENBRENNER told you that during my coming before the Judiciary Committee, in his words,

> Charles Ruff was asked directly: Did the President lie during his sworn grand jury testimony? And Mr. Ruff could have answered that question directly. He did not, and his failure to do so speaks 1,000 words.

Just to be certain that the Record is straight, let me read to you from the transcript of that judiciary hearing.

> Representative SENSENBRENNER: The oath that witnesses take require them to tell the truth, the whole truth, and nothing but the truth. I seem to recall that there were a lot of people, myself included, when asked by the press what advice would we give to the President when he went to the grand jury, was to just tell the truth, the whole truth, and nothing but the truth.
>
> Mr. RUFF: He surely did.
>
> Representative SENSENBRENNER: Did he tell the truth, the whole truth, and nothing but the truth when he was in the grand jury?
>
> Mr. Ruff. He surely did.

I am certain that Mr. SENSENBRENNER would not intentionally mislead the Senate. But his error was one of inadvertence. But, in any event, now the Record is clear.

Of considerably more importance than this momentary lapse are the many substantive flaws that we will point out to you in the coming days—sometimes pure errors of fact, sometimes errors of interpretation, sometimes unfound speculation. My colleagues will deal with many of these flaws at greater length as they discuss the specific charges against the President. But I will give you some examples as I read appropriate points in my overview today, because I want you to have in mind throughout our presentation, and indeed throughout the rest of the proceedings, this one principle. Beware of it. Beware of the prosecutor who feels it necessary to deceive the court.

Let me begin with article I.

Our system of justice recognizes the difficulties inherent in testifying under oath, and it affords important protections for the witness who may be charged with perjury, and thus the Judiciary Committee's dissatisfaction with the President's answers because they thought they were narrow, or even hairsplitting, or in some sense reflect the dissatisfaction with the rules that have been applied for centuries in prosecuting this offense.

Further, it requires proof that a defendant knowingly made a false statement about a material fact. The defendant must have had a subjective intent to lie. The testimony that is provided as a result of confusion, mistake, faulty memory, or carelessness, or misunderstanding is not perjury. The mere fact that the recollection of two witnesses may differ does not mean that one is committing perjury. Common sense and the stringent requirements of the law dictate what law is required. As the Supreme Court has noted,

> Equally honest witnesses may well have different recollections of the same event, and thus, a conviction for perjury ought not to rest entirely upon an oath against an oath.

This is the rationale for the common practice of prosecutors to require significant corroborating evidence before they bring a perjury case. Indeed, the Department of Justice urges that its prosecutors seek independent corroboration, either through witnesses or corroborating evidence of a quality to assure that a guilty verdict is really well founded.

This isn't merely the argument we make as we are acting for the President. The bipartisan and former Federal prosecutors from whom you will hear will testify that neither they nor any reasonable prosecutor could charge perjury based upon the facts in this case.

Tom Sullivan, former U.S. Attorney for the Northern District of Illinois, told the committee that the evidence set out would not be prosecuted as a criminal case by a responsible Federal prosecutor.

Richard Davis, a former colleague of mine on the Watergate special prosecution force, testified that no prosecutor would bring this case of perjury because the President acknowledged to the grand jury the existence of an improper relationship and argued with prosecutors questioning him that his acknowledged conduct was not a sexual relationship as he understood the definition of that term used in the Jones deposition. And that is where you need to begin your focus as you look at the charge that the President perjured himself in the grand jury in August of last year.

Any assessment of that testimony must begin with one immutable fact. He admitted that he had, in his words, inappropriate, intimate contact with Monica Lewinsky. No one who was present for that testimony, has read the transcript, or watched the videotape could come away believing anything other than that the President and Ms. Lewinsky engaged in sexual conduct. Indeed, even the prosecutors, who surely cannot be accused of being reluctant to find Presidential misconduct, contended not that the President had lied about the nature of his relationship but only about the details. Yet, the managers, in their eagerness

to find misconduct where none had found it before, have searched every nook and cranny of the grand jury transcript and sent forward to you a shopping list of alleged misstatements, obviously in the hope that among them you will find one with which you disagree. But they hope in vain. The record simply will not support a finding that the President perjured himself before the grand jury.

Now, much of the questioning by the prosecutors and much of the grand jury testimony about which the House now complains so vociferously dealt with the President's efforts to explain why his answers in the Jones deposition, certainly not pretty, were, in his mind, truthful, albeit narrowly and artfully constructed.

We are not here to talk to you today about the President's testimony in the Jones deposition. We do seek to convince you that before the grand jury the President was open, candid, truthful.

Now, the managers begin by asking you to look at the prepared statement that the President offered at the very beginning of his grand jury appearance. Before the President actually began his testimony, his lawyer, Mr. Kendall, spoke to Mr. Starr and told him that at the first moment at which there was an inquiry concerning the detailed nature of the relationship with Ms. Lewinsky, he wished to make a prepared statement, and he was permitted to do so. That statement acknowledged the existence of an intimate relationship, but it did not discuss the specific physical details in what I think we will all understand to have been an effort to preserve the dignity of the office.

Now, the House has charged that this statement was somehow a ''premeditated effort to thwart the OIC's investigation.'' That is errant nonsense. Even independent counsel saw no such dark motive in this statement.

Now, first, the managers advance the baseless charge that the President intentionally placed the beginning of his relationship with Ms. Lewinsky in 1996 rather than 1995 as she testified. Interestingly, they don't even purport to offer any support for this charge other than Ms. Lewinsky's testimony, and they offer not even the somewhat odd explanation originally offered by the independent counsel to explain why the President, having admitted the very worst things a father and husband can conceivably admit, would have shifted the time by 3 months.

Next, the managers assert that the President's admission that he engaged in wrongful conduct ''on certain occasions'' was false because the President actually engaged in such conduct some 11 times, and they assert as well that when the President admitted he had occasional telephone conversations that included inappropriate discussions, that was false because they had actually had 17 such phone conversations.

Now, the President gave his best recollection of the frequency of those contacts. Ms. Lewinsky gave hers. Assuming that the majority is correct in its assumption that there were 11 or 17, can anyone imagine a trial in this court or in any other court in which the issue of whether ''certain occasions'' by definition could not mean 17 and ''occasionally'' could not refer to 11 would be the issue being litigated?

Even the independent counsel, again, who could, of course, have pressed the President for specific numbers had they thought it important, did not take issue with this testimony.

So, thus, the perjury charge in article I again comes down to the same allegations contained in the independent counsel's referral, that the President lied to the grand jury about two things—his subjective, his personal subjective understanding of the definition used in the Jones deposition and, second, he lied when he denied that he engaged in certain details of inappropriate conduct.

Now, to conclude that the President lied to the grand jury about his relationship with Ms. Lewinsky, you must determine—forgive me—that he touched certain parts of her body, but for proof you have only her oath against his oath.

Those among you who have been prosecutors or criminal defense lawyers know that perjury prosecutions, as rare as they are, would never be pursued under evidence available here. And those among you who could not bring that special experience at least bring your common sense and are equally able to assess the weakness of the case that would rest on such a foundation.

Common sense also is enough to tell you that there cannot be any basis for charging a witness with perjury on the ground that you disbelieve his testimony about his own subjective belief in a definition of a term used in a civil deposition. Not only is there no evidence to support such a charge here; it is difficult to contemplate what evidence the managers might hope to rely on to meet that burden.

Now, it is worth noting that Mr. Bennett, at the time of the deposition, pressed the Jones lawyers to ask the President specific questions about his conduct rather than rely on this confusing definition that they proffered. In fact, when the President was asked in the grand jury whether he would have answered those questions, he said, of course, if the judge had ruled them appropriate, he would have answered truthfully. But the Jones lawyers persisted in their somewhat strange cause, strange unless one asked whether, armed with Ms. Tripp's intelligence, they purposely sought in some fashion to present the independent counsel a record that would permit just the sort of dark interpretation both he and the managers have proffered.

I point you to one thing. If you seek evidence that the President took the definition he was given seriously, and he responded carefully to the questions put to him, even if they required the most embarrassing answers, one need only look to the painful admission that he did have relations with another woman and he testified to the grand jury the definition required that he make that admission. Here is what he said to the grand jurors:

> I read this carefully, and I thought about it. And I thought about what ''contact'' meant, and I thought about [other phrases] and I had to admit under this definition that I had actually had relations with Jennifer Flowers.

Now, undeterred in its search for some ground on which to base the charge that the President lied to the grand jury, article I abandons even the modest level of specificity found in the independent counsel's referral and advances the claim:

> The President gave perjurious, false and misleading testimony regarding prior statements of the same nature he made in his deposition.

There can be no stronger evidence of the constitutional deficiency of this article than this strangely amorphous charge as a deficiency that becomes even more obvious when you finally stumble across the theory on which the managers rely. To the extent one can determine what the Judiciary Committee had in mind when it drafted this clause, it appears that they intended to charge the President with perjury before the grand jury because he testified that he believed—believed—that he had, in his words, ''worked through the minefield of the Jones deposition without violating the law.'' And that they hoped to support that charge by reference to various allegedly false statements in his deposition as charged in article II. Unhappily for the managers, however, the House rejected article II and it is not before you in any form. Moreover, there is not a single suggestion in the committee debate—or, more importantly, in the House debate—that those voting to impeach the President believed that this one line that I have quoted to you from the President's grand jury testimony, somehow absorbed into article I his entire deposition testimony.

If there is to be any regard for constitutional process, the managers cannot be allowed to rely on what the Judiciary Committee thought were false statements encompassed in a rejected article II to flesh out the unconstitutionally nonspecific charges of article I. The House's vote on article II foreclosed that option for all time.

Now, article I next alleges that the President lied to the grand jury about the events surrounding certain statements made by Mr. Bennett during the

Jones deposition. Specifically, the managers charge that the President was silent when Mr. Bennett characterized the Lewinsky affidavit as meaning there was no sex of any kind in any manner, shape, or form with President Clinton, and that the President then gave a false explanation to the grand jury when he testified that he wasn't really paying attention when his lawyer said that.

Now, as we noted earlier, Mr. Bennett argued to Judge Wright that, in light of Ms. Lewinsky's affidavit denying a relationship, the Jones lawyers had no good-faith basis for questioning the President about her. The President was not involved in the lengthy back and forth among the judge, the Jones lawyers, and Mr. Bennett. He said nothing. When he was asked in the grand jury about Mr. Bennett's statement, he said, ''I'm not even sure I paid much attention to what Mr. Bennett was saying.''

Now, the managers assert that this is false because the videotape shows that the President was in fact paying attention. But a fairer view of the videotape, I suggest to you, shows the President looking, indeed, in Mr. Bennett's direction, and in the direction of the judge, but giving no sign that he was following the discussion. He didn't nod his head. He didn't make facial expressions. There was nothing to reflect an awareness of the substance of what was happening, much less what was said in Mr. Bennett's statement.

Now, I don't know how large a group this would be, but any of you who has ever represented a witness or been a witness in a deposition will readily understand the President's mindset, that the lawyers and the judge debated these issues, and you will understand, too, that to charge him with perjury for having testified falsely about his own state of mind with nothing more to rely on than a picture would strain credulity in any prosecutor's office and flies past the bounds of constitutional reason in this Chamber.

I move, now, to the allegations in article II charging the President with obstruction of justice in the Jones lawsuit and in the grand jury investigation. I want to talk first about what has become known as the concealment of gifts theory. The allegation that the President participated in some scheme to conceal certain gifts he had given to Ms. Lewinsky centers on two events allegedly occurring on December 28, 1997: First, conversation between the President and Ms. Lewinsky in the White House in which the two discussed the gifts, at least briefly, that he had given to Ms. Lewinsky; and, B, Ms. Currie's picking up a box of gifts from Ms. Lewinsky and storing them under her bed.

The managers, as was true of the majority report—and the independent counsel role before that—build their theory in this case not on any pillars of obstruction but on shifting sand castles of speculation. Monica Lewinsky met with the President on December 28, 1997, sometime shortly before 8 a.m. to exchange Christmas presents. According to Ms. Lewinsky, they briefly discussed the subject of gifts she had received from the President in connection with her receipt some days earlier of the subpoena in the Jones case, and this was the first and the only time, she says, in which the subject was ever discussed.

Now, the managers quote one conversation of Ms. Lewinsky's description of that December 28 version as follows:

> At some point I said to him, well, you know, should I —maybe I should put the gifts away outside my house somewhere or give them to someone, maybe Betty. And he sort of said—I think he responded ''I don't know,'' or ''let me think about that,'' and left that topic.

But the Senate should know that in fact Ms. Lewinsky has discussed this very exchange on at least 10 different occasions and that the very most she alleges in any of them is that the President said, ''I don't know,'' or ''Let me think about it,'' when she raised the issue of the gifts. Indeed, in many of her versions she said, among other things, there really was no response, that the President did not respond, that she didn't have a clear image in her mind what to do next. She also testified that Ms. Currie's name did not come up because the President really didn't say anything. And, most importantly, in not a single one of her multiple versions of this event did she say that the President ever initiated any discussion about the gifts, nor did he ever suggest to her that she conceal them.

Now, there being no evidence of obstruction in that conversation, the managers would have you believe that after Ms. Lewinsky left the White House that day, the President must have told Betty Currie to retrieve the gifts from Ms. Lewinsky. But there is absolutely no evidence that that discussion ever occurred. The only two parties who would have knowledge of it, the President and Ms. Currie, both denied it ever took place.

Now, in the absence of any such evidence, the managers have relied on Ms. Lewinsky's testimony that Ms. Currie placed a call to her and told her—depending on Ms. Lewinsky's version—either that the President had said to Betty Ms. Lewinsky had something for her or merely that she, Ms. Currie, understood that Ms. Lewinsky had something for her.

In this regard, it is important to remember that Ms. Lewinsky herself testified that she was the one who first raised with the President the notion that Ms. Currie could hold the gifts. And it is important to recognize that, contrary to the managers' suggestion to you that Ms. Lewinsky's memory of this event has always been consistent and—- ''unequivocal,'' I think was their word—she herself acknowledged at her last grand jury appearance that her memory of the crucial conversation is less than crystal clear. To wit:

> A JUROR: Do you remember Betty Currie saying that the President had told her to call?
>
> Ms. LEWINSKY: Right now, I don't remember.

And now we come to the first example I promised you of prosecutorial—what shall we call it?—fudge. Starting from the premise that Betty Currie called Monica Lewinsky and told her that she understood she had something for her and then went to pick up a sealed box containing some of the gifts she had received, Ms. Lewinsky had received from the President, first the independent counsel concluded, and then the majority report concluded, and now the managers have concluded, that the President must have instructed Ms. Currie to go pick up these gifts—to call Ms. Lewinsky and make the arrangements. So that they determined that when Ms. Currie said it was Ms. Lewinsky who called her, Ms. Currie was mistaken or, if you listen carefully, maybe worse. And when the President testified that he didn't tell Ms. Currie to call Ms. Lewinsky, he was—well, just worse. And this surmise is made absolutely certain, in the view of the managers, because a newly discovered, unknown even to independent counsel, cell phone record shows that Ms. Currie called Ms. Lewinsky at 3:32 p.m. on December 28 and that must be the call that Ms. Lewinsky remembered.

Let's look now at how the majority counsel for the committee put it in his closing argument to the Judiciary Committee. I have put his words up on the chart, and you all should have it in front of you as well:

> There is key evidence [said majority counsel] that Ms. Currie's fuzzy recollection is wrong. Monica said that she thought Betty called from her cell phone. Well, look at this record. [Show it to you later.] This is Betty's cell phone record. It corroborates Monica Lewinsky and proves conclusively that Ms. Currie called Monica from her cell phone several hours after she had left the White House. Why did Betty Currie pick up the gifts from Ms. Lewinsky? The facts strongly suggest the President directed her to do so.

There is a slight problem with the majority counsel's epiphany, as it has been passed down to the managers and then to you. For you see—and here is the cell phone record—it reflects that at 3:32 p.m. on December 28, from Arlington, VA, to Washington, DC—that is Ms. Lewinsky's number—there was a call of a minute, it says here. And then we have to ask, Does this timing fit with the rest of the testimony?

Well, the answer is, no, it doesn't, because on three separate occasions, Ms.

Lewinsky testified that Ms. Currie came over to pick up the gifts at 2 o'clock in the afternoon, an hour and a half before the phone call. It is not as though we have been hiding the ball on this, Senators. We discussed this issue at length in our trial brief, and the managers do seem to have recognized at least some of the problem, because they have told you, albeit without the slightest evidentiary support, that maybe Ms. Lewinsky just miscalculated a little bit. Well, maybe she just miscalculated a little bit three times. Look at the record:

FBI interview, July 27: Lewinsky met Currie on 28th Street outside Lewinsky's apartment at about 2 p.m. and gave Currie the box of gifts.

FBI interview, August 1: Lewinsky gave the box to Betty Currie when Currie came by the Watergate about 2 p.m.

Grand jury testimony, 3 weeks later: ''I think it was around 2 p.m. or so, around 2:00 in the afternoon.''

The managers speculate that if only the independent counsel had had this phone record when they were interviewing Ms. Lewinsky, they could have refreshed her recollection. Having been one, I can tell you, that's prosecutor's speak for ''if we'd only known about that darn record, we could have gotten her to change her testimony.''

But the managers have one other problem that they didn't address. The phone record—if we can go back to that for a moment—the phone record shows a call lasting 1 minute. All of us who have cell phones know that really means it lasted well short of a minute, because the phone company rounds things up to the nearest minute, just to help us all with our bookkeeping. [Laughter.]

So now it will be necessary not only for Ms. Lewinsky's memory to be refreshed about the hour of the pickup, but to explain how the arrangements for it could have been made between Ms. Lewinsky and Ms. Currie in somewhere between 1 and 60 seconds.

Putting these factual difficulties aside, this charge must fail for another reason. As you all know from presentations earlier, the President gave Ms. Lewinsky several gifts on the very day that they met, December 28. Faced with having to explain why on the day that the President and Monica Lewinsky were conspiring to conceal gifts from the Jones' lawyers the President gave her additional ones, the managers surmised that the real purpose was because it was part of a subtle effort to keep Ms. Lewinsky on the team, but in truth the only reasonable explanation for these events is the one the President gave to the grand jury. He was simply not concerned about gifts. He gave a lot, he got a lot, and he saw no need to engage in any effort to conceal them.

The President did not urge Ms. Lewinsky to conceal the gifts he had given her and, of course, he did not lie to the grand jury about that subject.

The next point I want to discuss with you is the statements the President made to Betty Currie on the day after the Jones deposition, January 18 of last year. There is no disputing the record, no conflict in testimony that the President did meet with his secretary, Betty Currie, on the day after the Jones deposition and they discussed Monica Lewinsky.

The managers cast this conversation, this recitation, this series of statements and questions put by the President to Ms. Currie in the most sinister light possible and allege that the President attempted to influence the testimony of a ''witness'' by pressuring Ms. Currie to agree with an inaccurate version of the facts surrounding his relationship with Ms. Lewinsky.

President Clinton has adamantly denied that he had any such intention, and that denial is fortified by the undisputable factual record establishing that Betty Currie neither was an actual or a contemplated witness in the Jones litigation, nor did she perceive that she was being pressured in any respect by the President to agree with what he was saying.

First, Ms. Currie's status as a witness, and the only proceeding the President knew about at that moment, the Jones case, Ms. Currie was neither an actual nor a prospective witness. As to the only proceeding in which she ultimately became a witness, no one would suggest, managers, no one else would suggest the President knew that the independent counsel was conducting an investigation into his activities.

In the entire history of the Jones case, Ms. Currie's name had not appeared on any of the witness lists, nor was there any reason to suspect Ms. Currie would play a role in the Jones case. Discovery was down to its final days. The managers speculate that the President's own references to Ms. Currie during his deposition meant she was sure to be called by the Jones lawyers. Yet, in the days, weeks following the deposition, the Jones lawyers never listed her, never contacted her, never added her to any witness list. They never deposed her; they never noticed the deposition.

Indeed, when the independent counsel interviewed the Jones lawyers, they apparently neglected to ask whether they had ever intended to call Betty Currie as a witness. One can be sure that if such an intent existed, they would have asked and it would have been included in the referral.

Moreover, it is a sure bet that the Jones lawyers already knew about Betty Currie and her relationship with Monica Lewinsky. Why? Because we know from her own recorded telephone conversations that Ms. Tripp had been in contact with the Jones lawyers for months, and we know that she spent the evening before the President's deposition telling them everything she knew.

It didn't take a few references to his secretary by the President to trigger a subpoena for Betty Currie if they had ever wanted to do that, and they never did. Nor did the President ever pressure Ms. Currie to alter her recollection. Despite the prosecutor's best efforts to coax Ms. Currie into saying she was pressured to agree with the President, Ms. Currie adamantly denied it.

Let me quote just briefly a few lines of her grand jury testimony:

> Question: Now, back again to the four statements that you testified the President made to you that were presented as statements, did you feel pressured when he told you those statements?
>
> Answer: None whatsoever.
>
> Question: That was your impression, that he wanted you to say—because he would end each of the statements with ''Right?'', with a question.
>
> Answer: I do not remember that he wanted me to say ''Right.'' He would say ''Right'' and I could have said, ''Wrong.''
>
> Question: But he would end each of those questions with a ''Right?'' and you could either say whether it was true or not true?
>
> Answer: Correct.
>
> Question: Did you feel any pressure to agree with your boss?
>
> Answer: None [whatsoever].

Now, to understand on a human level why the President reached out to Betty Currie on the day after his deposition, you need only to understand that he had just faced unexpected detailed questions about his worst nightmare. As he candidly admitted to the grand jury, he had long feared that his relationship with Ms. Lewinsky would ultimately become public. Now, with questioning about her in the Jones case, publication of the first Internet article, the day of recon had arrived. The President knew that a media storm was about to erupt. And it did.

Now, if you are looking for evidence on which to base an inference about the President's intentions with respect to Ms. Currie's testimony, look what he said to her when he knew that she was going before the grand jury.

> And then I remember when I knew she was going to have to testify to the grand jury, and I, I felt terrible because she had been through this loss of her sister, this horrible accident Christmas that killed her brother, and her mother was in the hospital. I was trying to do—to make her understand that I didn't want her to, to be untruthful to the grand jury. And if her memory was different than mine, it was fine, just go in there and tell them what she thought. So, that's all I remember.

The President of the United States did not tamper with a witness.

Now next, the managers argue that Mr. Clinton corruptly encouraged Ms. Lewinsky to submit a false affidavit to the Jones lawyers and to lie if she were ever deposed. But the uncontroverted evidence refutes that charge. Indeed, Ms. Lewinsky herself has repeatedly

and forcefully denied that anyone ever asked her to lie. There is no way to get around that flat denial, even with the independent counsel's addition of the word ''explicitly.'' There was no explicit, implicit, or any other direction to Ms. Lewinsky to lie. Indeed, the only person to whom Ms. Lewinsky said anything inconsistent with her denial was the ubiquitous Ms. Tripp. And, as Ms. Lewinsky later told the grand jury:

I think I told her that, you know, at various times the President and Mr. Jordan had told me I have to lie. That wasn't true.

Left with this record, the managers resort to arguing that Ms. Lewinsky understood that the President wanted her to lie, that he could not have wanted her to file an affidavit detailing their relationship. But the only factual support for this theory recited by the majority is the testimony of Ms. Lewinsky that, while the President never encouraged her to lie, he remained silent about what she should have to say or do, and by such silence she said, ''I knew what he meant.''

The very idea that the President of the United States should face removal from office, not because he told Monica Lewinsky to lie or anything of this sort, but because he was silent and Ms. Lewinsky ''knew what he meant,'' is, I suggest, more than troubling.

So to bolster their flawed ''I knew what he meant'' theory, the managers assert that the President knew the affidavit would have to be false in order for Ms. Lewinsky to avoid testifying. But the evidence here, too, is that the President repeatedly testified that Ms. Lewinsky could and would file a truthful affidavit. And, of course, Ms. Lewinsky herself has made it clear that her definition of the critical term that might be used in such an affidavit was consistent with the President's.

Further testimony from Ms. Lewinsky herself repudiates any suggestion that she was ever encouraged by anyone to lie if she were deposed in the Jones case. In a colloquy with a grand juror, she explicitly and unequivocally rejected the notion that President Clinton encouraged her to deny the relationship after she learned she was a witness. Referring to discussions about the so-called cover stories that the managers allege were to be used in her testimony, a grand juror asked her:

It is possible that you had these discussions after you learned that you were a witness in the Paula Jones case?

Answer: I don't believe so, no.

Question: Can you exclude that possibility?

Answer: I pretty much can.

The managers would have you conclude the contrary from a brief snippet of the conversation on December 17 in which Ms. Lewinsky said that at some point, ''I don't know if it was before or after the subject of the affidavit came up, the President sort of said, 'Well, you know, you can always say you were coming to see Betty or that you were bringing me letters.' ''

But Ms. Lewinsky told the FBI when she was interviewed, ''To the best''—this is the FBI talking—''To the best of Miss Lewinsky's memory, she does not believe they discussed''—in this December 17 conversation—''the content of any deposition that Miss Lewinsky might be involved in at a later date.'' And she told the grand jury the same thing. Describing the very same December 17 conversation, she testified that she and the President did not discuss the idea of her denying their relationship.

Ms. LEWINSKY: I really don't remember it. I mean, it would be very surprising for me to be confronted with something that would show me different, but it was 2:30, and, I mean, the conversation I'm thinking of mainly would have been December 17, which was—

A juror interjects: The telephone call?

Ms. LEWINSKY: Right. And it was, you know, 2, 2:30 in the morning. And I remember the gist of it, and I really don't think so.

And it is on that basis that the managers suggest that the President obstructed justice.

Fourth, article II alleges that the President obstructed justice by denying to his closest aides he had a sexual relationship with Monica Lewinsky, the very same denial he made to his family and his friends and to the American people. These allegedly impeachable denials took place in the immediate aftermath of the public revelation of the Lewinsky matter, at the very time that the President was denying that relationship to the entire country on national television. Having made the announcement to the whole country, it is simply absurd, I suggest to you, to believe that he was somehow attempting corruptly to influence his senior staff when he told them virtually the same thing at the same time.

Now, the managers do not allege—as they could not—that the President attempted to influence the aides' testimony about what they themselves knew concerning his relationship with Ms. Lewinsky—had they seen her in a particular place; had they talked to her; had they talked to the President about it before all of this broke.

Indeed, the only evidence these aides had was the very same denial that the entire American people had. Indeed, every member of the grand jury had probably seen this denial by the President on their own television sets. Under the theory proffered by the managers, in essence, every person who heard the President's denial could have been called to the grand jury and ordered to create still an additional charge of obstruction of justice.

The point here was not that the President believed that his staff would be witnesses and somehow wanted to influence their testimony. As he explained to the grand jury, what he was trying to do was avoid being a witness. But, of course, he had to say something to them. He had to say, in the aftermath of January 21, something to reassure them. And he told them exactly what he told every one of you, everyone in the gallery, and everyone who watched television in those days following January 21.

And let me just make this one point. There is absolutely no conflict in the evidence here, despite the managers' somewhat puzzling suggestion that the Senate's deliberations would somehow be aided if two of the senior staff members could be called as witnesses. Not only is there no conflict in the evidence, there is absolutely no basis for the charge that the President was in any way seeking to influence the testimony of his staff before the grand jury.

Now we come to the last of the obstruction charges. The managers ask you to find that the President of the United States employed his friend, Vernon Jordan, to get Monica Lewinsky a job in New York, to influence her testimony, or perhaps in a somewhat forlorn effort to escape the reach of the Federal Rules of Civil Procedure, to hide from the Jones lawyers and the 8 million people who live in that city.

There is, of course, absolutely no evidence to support this conclusion, and so the managers have constructed out of sealing wax and string and spiders' webs a theory that would lend to a series of otherwise innocuous and, indeed, exculpatory events, a dark and sinister past.

The undisputed record establishes the following: One, that Lewinsky's job search began on her own initiative; two, the search began long before her involvement in the Jones case; three, the search had no connection to the Jones case; four, Vernon Jordan agreed to help her, not at the direction of the President but at the request of Ms. Currie, Mr. Jordan's long-time friend; five, the idea to solicit Mr. Jordan's assistance again came not from the President but from Ms. Tripp.

As I thought about this aspect of it, I have to say I was reminded of Iago and Desdemona's handkerchief. But we will pass on that.

Both Ms. Lewinsky and Mr. Jordan have repeatedly testified that there was never an agreement, a suggestion, an implication, that Ms. Lewinsky would be rewarded with a job for her silence or her false testimony. As Mr. Jordan succinctly put it, ''Unequivocally, indubitable, no.''

It was only to appease Ms. Tripp that Ms. Lewinsky ultimately told her that she had told Mr. Jordan she wouldn't sign the affidavit until she had a job. But as she told the grand jury, ''That was definitely a line based on something that Linda had made me promise on January 9.''

Now while the managers dismiss as irrelevant Ms. Lewinsky's job search before December, the fact is, Ms. Lewinsky contemplated looking for a job in New York as early as July 1997, and her interest was strengthened in early October when Ms. Tripp told her it was unlikely she would ever get another job in the White House. It was then Ms. Tripp and Ms. Lewinsky discussed the prospect of having Vernon Jordan help her get a job in New York and Ms. Lewinsky mentioned that idea to the President.

Later in October, as part of this ongoing search, Ambassador Richardson agreed to interview Ms. Lewinsky at the suggestion of then-Deputy Chief of Staff Podesta who had been asked to help by Ms. Currie. And Ambassador Richardson offered her a job and she had that job in hand throughout the supposedly critical December timeframe, didn't actually turn it down until early January. And, further, in late October or early November, she actually went to her boss at the Pentagon and asked for his help to find a job.

Meanwhile, now we come to what, for the managers, is the very heart of the case. On November 5, Ms. Lewinsky had a preliminary meeting with Mr. Jordan and they discussed a list of potential employers. And although the managers then contend that nothing happened from November 5, that first meeting, until December 11, signifying, as they see it, that it must have been Ms. Lewinsky's appearance on the witness list that galvanized Mr. Jordan into action, that is simply false.

Ms. Lewinsky had a followup telephone conversation with Mr. Jordan around Thanksgiving in which he told her he was working on the job search and he asked her to call him in the first week of December. The President learned Ms. Lewinsky was on the Jones witness list sometime on December 6. He met with Mr. Jordan the very next day, December 7. But oddly, if one adopts the managers' view, there was no discussion of Ms. Lewinsky or the Jones case, much less job searches. Then on December 8, Ms. Lewinsky called Mr. Jordan's office and made her appointment to meet with him on December 11.

Now the President absolutely had nothing to do with that call or that appointment and Mr. Jordan denies that there was any intensified effort to find Ms. Lewinsky a job. He said, ''Oh, no, I do not recall any heightened sense of urgency in December, but what I do recall is that I dealt with it when I had time to do it.''

Now for my second example of prosecutorial fudging. The managers have devoted much attention to the magic date of December 11, arguing vigorously that it was on that day that getting the job for Ms. Lewinsky suddenly became a matter of high priority for the President and hence to Mr. Jordan. Why is that so? Well, again, I will let the majority counsel for the Judiciary Committee tell you in his own words during his closing argument.

Again, you should have this before you if you can't see the chart.

> But why the sudden interest, why the total change in focus and effort? Nobody but Bettie Currie really cared about helping Ms. Lewinsky throughout November, even after the President learned that her name was on the prospective witness list. Did something happen to move the job search from a low to a high priority on that day? Oh, yes, something happened. On the morning of December 11, 1997, Judge Susan Webber Wright ordered that Paula Jones was entitled to information regarding any State or Federal employee with whom the President had sexual relations or proposed or sought to have sexual relations. To keep Monica on the team was now of critical importance. Remember, they already knew that she was on the witness list, although nobody bothered to tell her.

That same theme was picked up last week by Mr. Manager HUTCHINSON, both in his recitation of events of that day and in the exhibits he showed you. If I am lucky, we will place on the easel to my right the exhibit that Manager HUTCHINSON used.

You will see the order that this exhibit places on the critical events of November and December. November 5 meeting, the no-job-search action; the President receives a witness list. And then of special interest, December 11, first event, ''Judge Wright order permitting questions about Lewinsky.'' Too, on December 11, the ''President and Jordan talk about job for Monica.''

Now, let me ask you to focus on what Mr. HUTCHINSON told you about the events of December 11. Sounding somewhat like majority counsel, he asks:

> And so, what triggered—let's look at the chain of events. The judge—the witness list came in, the judge's order came in, that triggered the President into action and the President triggered Vernon Jordan into action. That chain reaction here is what moved the job search along . . . remember what else happened on that day [December 11] again. That was the same day that Judge Wright ruled that the questions about other relationships could be asked by the Jones attorneys.

Now, it appears to me that the manager was suggesting—again, with not a great deal of subtlety—that Vernon Jordan, one of this country's great lawyers and great citizens, was prepared to perjure himself to save the President.

So let's just imagine the managers' examination of Mr. Jordan in this Chamber that would let you make your own judgment about his truthfulness.

Question: Mr. Jordan, isn't it a fact that you met with Ms. Lewinsky on December 11 to help get her a job?

Answer: Yes.

Question: And isn't it a fact that before and after you met with her, you made calls to potential employers in New York?

Answer: Yes.

Question: Isn't it true that the reason for all of this activity on December 11 was that Judge Wright had on that very day issued an order authorizing the Jones lawyers to depose certain women like Miss Lewinsky?

Answer: No.

Question: What do you mean ''no''? Isn't it true that the judge had issued an order before you met with Ms. Lewinsky and before you made the calls?

Answer: I had no knowledge of any such order. The fact that Ms. Lewinsky was a potential witness had nothing to do with my helping. I made an appointment to see her 3 days earlier.

Question: Well, isn't it a fact that Judge Wright filed her order on December 11 before you met with Ms. Lewinsky?

Answer: Well, actually no.

Let me show you the official report of the judge's discussion with the lawyers in the Jones case on that date. You have this before you as well. There's a conference call between the judge and the lawyers, which is memorialized in a formal document prepared by a clerk and on file in the case in Arkansas. It notes that the conference call began at 5:33 p.m. central standard time. If I have my calculations right, that is 6:33 p.m. in Washington.

I want to stop here for a second so that you know where Mr. Jordan was when that happened. Let me see the next chart.

By the way, this is Mr. Jordan testifying:

> I was actually on a plane for Amsterdam by the time the judge issued her order.

So he testified in the grand jury.

> I left on United flight 946 at 5:55 from Dulles Airport and landed in Amsterdam the next morning.

So the conference call begins at 6:33 eastern standard time. The court takes up another variety of matters, and the judge didn't even tell the lawyers that she was going to issue an order on the motion to compel these various depositions until the very end of the call, around 7:45 eastern standard time, and the clerk would actually FAX them a copy at that point.

So we return to Mr. Jordan's mythical testimony. To summarize, let me show you something that tells you what the real sequence of events was on December 11. Vernon Jordan makes a possible job call at 9:45, and another at 12:49, and another at 1:07; he meets with Ms. Lewinsky from 1:15 to 1:45; he gets on his plane at 5:55 in the afternoon, and an hour or so later the lawyers are informed that the judge had issued her order.

In fact—just as a little filler—the President is out of town and returns to Washington at 1:10 a.m. And actually, Judge Wright's order is filed not on the 11th, but on the 12th.

> Question: Oh, I see. Well, never mind.

Now, do any of you think that you need to look Mr. Jordan in the eye and

hear his tone of voice to understand that the prosecutors have it wrong and have had, at least since the majority counsels' closing argument?

You will also learn from us—but not from the managers—that Mr. Jordan placed no pressure on any company to give Ms. Lewinsky a job. Indeed, two other companies he called didn't even offer her a job.

Just as the managers dramatically mistake the record relating to Mr. Jordan's efforts to help Ms. Lewinsky find a job, so, too, do they invent a nonexistent link between a call Mr. Jordan made ultimately to Mr. Perelman, the CEO of MacAndrews and Forbes, Revlon's parent, and the offer Ms. Lewinsky finally received from Revlon with her signing of the affidavit in the Jones case. We will demonstrate beyond any question, once again, that conclusions the managers have drawn are simply false.

Again, I'll begin with the fact that both Mr. Jordan and Ms. Lewinsky testified that there was no such link between the job and the affidavit, and the only person to ever suggest such a link was, once again, Ms. Tripp. Now, I presume that it is not the managers' intention to suggest that we bring Ms. Tripp before you to explore her motivation for making that suggestion.

Next, take Ms. Lewinsky's interview with MacAndrews official, which she described as ''having gone poorly''—a characterization adopted by the managers for obvious reasons—because it suggests that there was a desire on their part to heighten the supposed relevance of the call Mr. Jordan made to Mr. Perelman. In other words, under their theory, Ms. Lewinsky's job prospects at MacAndrews and Forbes, or Revlon, were caput until Vernon Jordan made the call and resurrected her chances.

Unfortunately, like so much of the obstruction case, the facts do not bear out this convenient theory. In fact, the man who interviewed Ms. Lewinsky at MacAndrews was impressed with her, and because there was nothing available in his area, he sent her resume to Revlon where she was hired by someone who did not know about Mr. Jordan's call to Mr. Perelman.

So much for obstruction by job search.

That, then, is an overview of the charges contained in these articles. You will hear about them in greater detail than I could offer you today when my colleagues speak in the next two days. I want to bring my presentation to a close.

We are not here to defend William Clinton, the man. He, like all of us, will find his judges elsewhere. We are here to defend William Clinton, the President of the United States, for whom you are the only judges. You are free to criticize him, to find his personal conduct distasteful; but ask whether this is the moment when, for the first time in our history, the actions of a President have so put at risk the Government the framers created that there is only one solution. You must find not merely that removal is an acceptable option, that we will be OK the day after you vote; you must find that it's the only solution, that our democracy should not be made to sustain two more years of this President's service. You must put that question because the one thing that our form of Government cannot abide is the notion that impeachment is merely one more weapon a Congress can use in the process between the legislative and executive branches.

Let me be very clear. We do not believe that President Clinton committed any of the offenses charged by the managers. And for the reasons we will set out at length over the next two days, we believe the managers have misstated the record, have constructed their case out of tenuous extrapolations, without foundation, and have at every turn assumed the worst without the evidence to support this speculation.

You put these lawyers in a courtroom and they win 10 times out of 10.

But suppose we are wrong. Suppose that you find that the President committed one or more of the offenses charged. Then there remains only one issue before you. Whatever your feelings may be about William Clinton, the man, or William Clinton, the political ally or opponent, or William Clinton, the father and husband, ask only this: Should William Clinton, the President, be removed from office? Are we at that horrific moment in our history when our Union could be preserved only by taking the step that the framers saw as the last resort? I am never certain how to respond when an advocate on the other side of a case calls up images of patriots over the centuries sacrificing themselves to preserve our democracy. I have no personal experience with war. I have only visited Normandy as a tourist. I do know this: My father was on the beach 55 years ago, and I know how he would feel if he were here. He didn't fight, no one fought, for one side of this case or the other. He fought, as all those did, for our country and our Constitution. As long as each of us—the managers, the President's counsel, the Senators—does his or her constitutional duty, those who fought for the country will be proud.

We, the people of the United States, have formed a more perfect Union. We formed it. We nurtured it. We have seen it grow. We have not been perfect. And it is perhaps the most extraordinary thing about our Constitution—that it thrives despite our human imperfections.

When the American people hear the President talk to Congress tonight, they will know the answer to the question, ''How stands the Union?'' It stands strong, vibrant, and free.

I close as I opened 2 hours ago, or 2 and a half hours ago. William Jefferson Clinton is not guilty of the charges that have been brought against him of committing perjury. He didn't obstruct justice. He must not be removed from office.

Thank you.

The CHIEF JUSTICE. The Chair recognizes the majority leader.

RECESS

Mr. LOTT. Mr. Chief Justice, in a moment the Senate will recess until 8:35 this evening, at which time the Senate will proceed as a body over to the House of Representatives as a joint session to receive a message from the President. Following the joint session, the Senate will adjourn until 11 o'clock tomorrow morning.

The Senators' lecture series is scheduled for tomorrow evening at 6 o'clock in the old Senate Chamber with former President George Bush as guest speaker.

I now ask that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 3:33 p.m., recessed until 8:35 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CRAPO).

LEGISLATIVE SESSION

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 1).

The PRESIDING OFFICER. The Senate will proceed to the House of Representatives.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress is printed in the proceedings of the House of Representatives in today's RECORD.)

ADJOURNMENT UNTIL 11 A.M. TOMORROW

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 10:31 p.m. the Senate adjourned until Wednesday, January 20, 1999 at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 19, 1999:

DEPARTMENT OF COMMERCE

CHERYL SHAVERS, OF CALIFORNIA, TO BE UNDER SECRETARY OF COMMERCE FOR TECHNOLOGY, VICE MARY LOWE GOOD.

DEPARTMENT OF STATE

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER,

FOR THE PERSONAL RANK OF CAREER AMBASSADOR IN RECOGNITION OF ESPECIALLY DISTINGUISHED SERVICE OVER A SUSTAINED PERIOD:

MARY A. RYAN, OF TEXAS

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

PETER S. WOOD, OF CALIFORNIA

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF MINISTER-COUNSELOR:

RICHARD LEWIS BALTIMORE, III, OF NEW YORK

PUBLIC HEALTH SERVICE

THE FOLLOWING CANDIDATES FOR PERSONNEL ACTION IN THE REGULAR COMPONENT OF THE PUBLIC HEALTH SERVICE COMMISSIONED CORPS SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW AND REGULATIONS:

1. FOR APPOINTMENT:

To be medical director

ROGER I.M. GLASS
WILLIAM C. VANDERWAGEN

To be surgeon

MARTIN S. CETRON
FRANK J. MAHONEY
ROBERT E. QUICK, III
EVELYN M. RODREGUEZ
STEVEN R. ROSENTHAL
JORDAN W. TAPPERO
JACK A. TAYLOR
THOMAS J. WALSH

To be assistant surgeon

DIANA L. COOK

To be dental surgeon

ROBERT A. CABANAS
DEAN J. COPPOLA
MARY S. RUNNER
LEE S. SHACKELFORD

To be nurse officer

LINDA S. BROPHY
ANN R. KNEBEL
NANETTE H. PEPPER

To be scientist officer

WILLIAM G. LOTZ
MARK L. PARIS

To be sanitarian officer

JOHN W. WALMSLEY

To be veterinary officer

DOUGLAS D. SHARPNACK
LAWRENCE J. VENTURA

To be pharmacist officer

JOSLYN R. SWANN
LISA L. TONREY

To be therapist officer

JOHN T. HURLEY

To be health services officer

RONDA A. BALHAM
EPIFANIO ELIZONDO
JOHN D. FUGATE, JR.
JAMES C. PORTT
ALBERT R. TALLANT
RICHARD C. VAUSE, JR.
RICHARD C. WHITMIRE

THE FOLLOWING CANDIDATES FOR PERSONNEL ACTION IN THE REGULAR COMPONENT OF THE PUBLIC HEALTH SERVICE COMMISSIONED CORPS SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW AND REGULATIONS:

1. FOR APPOINTMENT:

To be surgeon

GRANT L. CAMPBELL
ROBERT L. DANNER, JR.
PAUL J. HIGGINS
WILLIAM J. KASSLER
BRADLEY A. PERKINS

To be senior assistant surgeon

SUSAN BLANK
DAVID W. CHEN
SCOTT F. DOWELL
HUMBERTO HERNANDEZ-APONTE
ROSEMARIE HIRSH
WILLIAM H. ORMAN
MARC A. SAFRAN

To be Senior assistant dental surgeon

TIMOTHY L. AMBROSE
THOMAS B. BREWER
ANITA L. BRIGHT
RONALD C. COX
GREGORY T. KUNZ
RONALD D. SHEPHERD II
JOHN R. SMITH
RICKEY S. THOMPSON

To be nurse officer

MARY C. AOYAMA

To be senior assistant nurse officer

BONNIE J. ALLARD
DARYL L. ALLIS
DOLORES J. ATKINSON
TRACY A. BROWER
BUCKY M. FROST
DAVID M. GOLDSTEIN
NANCY R. HAWKINS
PATRICK K. HOWE
JACQUELINE P. KERR
SANDRA K. KOZLOWSKI
STEPHEN D. LANE
LANCE L. POIRIER
LYNN N. POWER
PRISCILLA J. POWERS
DEBORAH S. PRICE
DENISE M. RABIDEAUX
JANICE C. ROMAN
SHERRI L. ZUDELL

To be senior assistant engineer officer

STEPHEN R. BOLAN
CHRISTOPHER P. BRADY
PATRICK W. CRANEY
ROBERT J. DRUMMOND
BRADLEY K. HARRIS
SCOTT M. HELGESON
KELLY G. HUDSON
KENNETH R. MEAD
DANIEL D. REITZ
DANIEL H. WILLIAMS
ANTHONY T. ZIMMER

To be senior assistant scientist

WILLIAM J. MURPHY
RICHARD P. TROIANO

To be senior assistant sanitarian

DONALD S. ACKERMAN
JANICE ASHBY
MARGARET L. BOLTE
DEBRA M. FLAGG
JOHN D. HOLLAND
SUSAN L. MUZA
KENNY R. HICKS

To be veterinary officer

LEIGH A. SAWYER

To be senior assistant veterinary officer

KRISTINE M. BISGARD

To be senior assistant pharmacist

JAMES F. BARNETT, JR.
KATHLEEN S. BOOKOUT
DEBORAH A. GUNTER
WALTER L. HOLT, JR.
BECKY L. KAIME
EDWARD J. STEIN
MATTHEW J. TAROSKY
PAULA M. VEACH
CATHERINE L. VIEWEG
JUDY WEISS
BELINDA L. WIMBERLY

To be assistant pharmacist

DAVID A. BATES
ELIZABETH A. DEGIGLIO
STEVEN D. DITTERT
SHARON L. OESTEREICH
ERIC J. POLCZYNSKI

To be senior assistant dietitian

SILVIA BENINCASO

To be senior assistant therapist

LOIS L. MICHAELIS-GOODE
PENELOPE S. ROYALL
JESSIE A. WHITEHURST

To be assistant therapist

GRANT N. MEAD

To be health services officer

PETER J. DELANY
LAWRENCE C. MCMURTRY

To be senior assistant health services officer

HOWARD J. HEISLER
NANCY A. NICHOLS
LARRY E. RICHARDSON
JANUETT P. SMITH-GEORGE
ANN M. WITHERSPOON

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CAPTAIN EVELYN J. FIELDS, NOAA FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (0–8), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, OFFICE OF NOAA CORP OPERATIONS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE PATIENTS' BILL OF RIGHTS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. STARK. Mr. Speaker, I am pleased to join with my Democratic colleagues from both the House and Senate today to re-introduce the Patients' Bill of Rights. This legislation came within five votes of passage in the last Congress. We are anxious to work with our colleagues to pass this important legislation this year.

Patient protection should not be a partisan issue. This is the health care issue that continues to top this list of my constituents' concerns—and I represent California which has the longest history of managed care in our country.

The Patients' Bill of Rights is a bill whose time has come. It builds on bills that have previously been introduced, on recommendations from the President's Advisory Commission on Quality in the Health Care Industry that met last year, on legislative efforts of various states, and on consensus agreements among consumer groups, many providers, and certain health plans.

As more and more of our population joins managed care plans, the need for federal oversight of plan quality grows greater. Patients deserve to know that their health plans are held accountable to a basic set of consumer protection standards. That is what the Patients' Bill of Rights will do.

Though many states have enacted consumer protection bills, they cannot regulate many of the health plans within their borders due to our convoluted health care system. Federal action is required.

The Patients' Bill of Rights creates a set of federal standards that assures patient access to covered benefits and that holds health plans accountable for their actions.

The most important components of the bill are as follows:

Health Plan Accountability: The Patients' Bill of Rights holds health plan administrators to the same level of accountability for making medical decisions as doctors.

Under current law, if an individual receives health care benefits through his/her employer, and a health plan makes a medical decision to withhold treatment that harms a patient, that health plan's only responsibility is for the provision of benefits that had been denied. The estimates are that some 125 million Americans are in these types of health plans.

So, if a health plan denies a woman a mammography and she later is found to have advanced breast cancer—which would have been detected much earlier with the screening exam—that plan's only liability is the cost of the mammogram that was not provided.

The remedy for this is straightforward: if health care plans are going to be making medical decisions, they must be held accountable to the same standards for legal liability as health care providers.

In the last Congress, I introduced a free-standing bill (HR 1749) to correct this glaring inequity. The Patients' Bill of Rights corrects it as well. Our legislation would allow states to determine whether or not a consumer can bring a state cause of action against health plan administrators whose medical decisions result in harm.

There has been much ado about this provision and its potential impact on business. The fact of the matter is that few employers are making medical decisions regarding their employees' health care. And, the bill goes so far as to explicitly protect employers from any liability as long as they are not involved in any medical decision-making.

There has also been much talk that the courts will soon resolve the issue of ERISA preemption. Unfortunately, we are years away from a point when such resolution will be found. Courts across the country are developing very different interpretations of ERISA preemption and, consequently, there is no clear direction from their decisions. This is too important an issue to wait any longer. A legislative solution is warranted.

External Appeals: Guaranteeing consumers access to a strong, independent external appeals process is also one of the best ways to assure the provision of quality care.

Unless there is an outside, independent decision-making body for which consumers can ultimately take their appeals, we will not obtain real consumer protection. Health plans that hold a financial interest in denying care simply cannot be the final arbitrators about whether care will be provided.

The Patients' Bill of Rights calls for health plans to contract with independent external appeals entities certified by the State or the Department of Labor to provide timely analysis of the plan's actions with the help of neutral health care professionals. There are defined timelines in the legislation to ensure that consumers facing serious, time-sensitive health consequences will be able to have their appeals resolved and the appropriate care provided. For example, in the case of urgently needed care, the external appeal entity could take no more than 72 hours to issue a decision.

Disclosure of Consumer Information: Today, consumers have no way of comparing health plans based on easily understood quality criteria. The collection of standardized data and the provision of standardized comparative information is a key component of the Democratic legislation.

As an example of this lack of ability to compare plans, PacifiCare, the largest Medicare HMO contractor and an insurer in the Federal Employees Health Benefits Program, refused to release its NCQA data last year. NCQA data may not be perfect, but it is the only measure out there today by which consumers can compare health plans. PacifiCare should not have been allowed to get away with holding that data confidential.

One of my principal concerns has always been that managed care plans are quick to sign people up and collect monthly premiums, but slow to see a large number of their patients. I think that every health plan should be required, upon enrollment, to conduct an examination of each new enrollee before the health plan can receive any premium dollars.

The strongest argument in support of managed care is that when it is done well—and is truly coordinating the care of patients—it can produce superior health outcomes. The idea of a care coordinator helping a patient through the typical health care maze is a good one. But, how can a managed care plan fulfill that role if the patient is never seen, let alone evaluated?

The Patients' Bill of Rights does not go so far as to require that a plan examine a patient before premiums can be collected. However, it does require that data by presented to consumers on the plan's preventive health care services. In this way, consumers and employers will be able to compare health plans as to how fare the plan really goes toward managing patient's health. This data is available for prospective as well as current plan enrollees.

These are several of the key consumer protection and quality provisions in The Patients' Bill of Rights. I chose to highlight these points because I think they are fundamental components of meaningful managed care reform. But the bill contains many additional important protections.

The Patients' Bill of Rights is the most consumer-oriented managed care reform bill that has been introduced. Instead of protecting providers, it aims to help consumers. It calls for: direct access to OB–GYNs; direct access to specialists for patients with chronic medical conditions; coverage of routine patient costs for approved clinical trials; participation by plan physicians and pharmacists in the development of drug formularies; access to an out-of-plan specialist if no appropriate in-plan specialist is available—at no extra cost to the patient; and the creation of a consumer ombudsman in each state to help consumers make health care choices that meet their needs.

Again, I am pleased to join with my colleagues today to introduce this vitally important legislation. I look forward to working with members in both bodies and on both sides of the aisle—and with the President—to pass federally-enforced, consumer-oriented managed care legislation this year.

INTRODUCTION OF THE DISTRICT OF COLUMBIA PRISON SAFETY ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Ms. NORTON. Mr. Speaker, on January 6, 1999, I introduced the District of Columbia Prison Safety Act, a bill to assure the safety and well being of District of Columbia and other Federal Bureau of Prisons (BOP) inmates, who may be placed in private prison

facilities, as well as the safety of communities where the prisons are to be located. This provision has become necessary as a result of § 11201, the 1997 District of Columbia Revitalization Act (P.L. 105–33), which requires that the BOP house in privately contracted facilities at least 2000 D.C. sentenced felons by December 31, 1999 and at least 50% of D.C. felons by September 30, 2003. Under the Revitalization Act, the Lorton Correctional Complex is to be closed by December 31, 2001, and the BOP is to assume full responsibility for the maintenance of the District's inmate population. My bill would give the Director of the BOP the necessary discretion to decide whether to house D.C. inmates in private prison facilities, and if so, when and how many.

The Revitalization Act privatization mandate marks the first time that the BOP has been required to contract for the housing of significant numbers of inmates in private facilities. The extremely short time frames were placed in the statute without any reference to BOP capabilities or the capabilities of private prison vendors. I am introducing this bill because recent events have driven home the necessity for better informed and expert judgment and calculation before decisions to contract out inmate housing are made.

On December 3, 1998, the Corrections Trustee for the District of Columbia released a report on the investigation of problems arising from the placement of D.C. inmates in the Northeast Ohio Correctional Center (NEOCC). This highly critical report documented numerous violent confrontations between guards and inmates, an escape by six inmates, and the killing of two other inmates. The Trustee's report strongly and unequivocally critized virtually all aspects of the operations of the NEOCC.

It should be noted that the company that runs the NEOCC, Corrections Corporation of America (CCA), is the most experienced in the country. However, the industry is a new one with relatively few vendors and few bidders for substantial work. The NEOCC experience is fair warning of what could happen if BOP proceeds on the basis of an automatic mandate in spite of the evidence that has accumulated in Ohio and around the country. The mounting problems have been so troubling that the BOP was forced to revise the original request for proposals (RFP), fearful that similar problems would occur. The bid now requires two separate facilities. The new process uses two RFP, thereby separating low security male inmates from minimum security males, females and young offenders. Furthermore, the RFP for low security inmates now requires the BOP to consider prior performance of the vendors before awarding the contract. However, the new RFPs put the BOP, perhaps hopelessly, behind schedule for the privatization mandated by the Revitalization Act.

The experience of the private sector argues for a much more careful approach than Congress realized at the time the 1997 Revitalization Act was passed. For example, the 50% quota for privatization far exceeds any comparable number of similar inmates currently housed in a private facility from a single jurisdiction.

My provision does not bar privatization, but it could prevent further privatization disasters. BOP may still decide to house the same, or a different number in private facilities. The purpose of this provision is to keep the BOP from believing that it must go over the side of a cliff, avoiding more sensible alternatives, because Congress said so.

BEST OF LUCK TO REV. W.E. SPEARS, JR.

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, Sunday, November 21, 1998, Dallas bid farewell to one of its most notable religious leaders. The Reverend W.E. Spears, Jr., will preach his final sermon as the pastor of Progressive Baptist Church in Dallas.

Mr. Speaker, his departure is important to note because he founded Progressive Baptist Church with his vision, energy, and hard work 52 years ago. Throughout that time, he has provided spiritual guidance, community service, and compassion to several generations of parishioners.

Mr. Speaker, the growth of his church in both numbers of members and services is a direct testimony to his faith and work ethic. When it first began, the church had about 10 members. Today, Progressive Baptist Church boasts a membership of 500.

Under his leadership, Progressive Baptist Church promotes the teachings of Christianity to many families in the Dallas area. In addition, for several decades, Progressive Baptist Church served area school children who could not attend the George W. Carver School because of School district boundaries.

He joined his late wife in opening Spears Mortuary and an ambulance service that provided services despite the family's ability to pay. This brought much-needed services and relief to families amid times of tremendous personal loss.

Mr. Speaker, Reverend Spears is a great example of leading a church in serving its community beyond the pulpit and directly into the community. However, while I join many of my constituents in thanking him for his leadership and service at Progressive Baptist Church, I am happy to say that he will not be removing himself from the community. He does not plan to leave behind his work. Fortunately for our children, he is committed to helping them be productive citizens. As he mentioned, "I'm still making a point of helping young people make citizens out of themselves, and I have pledged myself to working in the community at least 5 days a week."

Mr. Speaker, I am both grateful to Reverend Spears' 52 years of service at Progressive Baptist and his commitment to continue to serve our community. On behalf of my constituents from the 30th Congressional District, I wish him success in his future endeavors.

HONORING SALLY JAMESON

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. HOYER. Mr. Speaker, I rise today to acknowledge the appointment of my good friend, Mrs. Sally Jameson as executive director of the Charles County Chamber of Commerce.

For the past 6 years, Sally has been affiliated with the Charles County Chamber of Commerce; 5 of those years she served the Legislative Committee.

Prior to her appointment, Sally was the director of the Waldorf Jaycee Community Center since it opened in 1992. Today, it has evolved as a focal point for Charles County and is currently undergoing expansion.

Mr. Speaker, she is working with the Charles County public schools on a student exchange with students in Walldorf, Germany, and with the Charles County commissioners on a twin-city establishment between Waldorf, MD and Walldorf, Germany.

Sally is a life-long resident of Charles County and resides in Bryantown with her husband, Gene and two children, Donnie and Michelle.

Mr. Speaker, I am convinced that Sally will be a tremendous asset to the Chamber of Commerce and southern Maryland. I am proud to be her Representative in Congress and I ask you and the remainder of my colleagues to join with me in acknowledging the appointment of this fine American.

THE 40TH ANNIVERSARY OF THE KNOX MINE DISASTER

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to bring to the attention of my colleagues the fortieth anniversary of an infamous day in Pennsylvania's Eleventh Congressional District, the Knox Mine Disaster. This Sunday, a state historical marker will be unveiled to commemorate the tragedy. I am pleased to have been asked to participate in this event.

January of 1959 brought unseasonably high temperatures and drenching rains to the Wyoming Valley. The Susquehanna River began to surge wildly and reached near flood stage by the evening of January 21. Most area residents were worried about their homes and businesses and gave little thought to the potential disaster underground. Miners at the Knox Coal Company's River Slope mine in Luzerne County had expressed fears for weeks about the conditions at the mine, but their complaints fell on deaf ears. On the morning of January 22, seventy-five miners headed for work in the May Shaft and six miners headed to the River Slope. The six laborers soon summoned a veteran miner to hear the shrill cracking sounds of the ceiling props. As he stepped into the mine to investigate, the roof of the mine gave way and water poured into the mine. The miners scrambled out of the mine to safety and quickly reported the

flooding to mine officials who ordered evacuation of all adjoining shafts.

Thirty-three of the miners quickly escaped the churning waters as the river took over the mine, but forty-five men remained trapped below as the river swirled into the breach. Thirty-three miners eventually made their way up an abandoned air shaft located a few hundred feet upriver from the breach. Twelve men remained missing.

Mr. Speaker, hope for these twelve brave miners endured for several days as family members kept vigil on the river bank. Eventually, methane gas began to flow from the mine and the officials had no choice but to end the rescue attempt. Each of the survivors had his story of escape and told the stories of those who did not.

For sixty-four hours after the disaster, the river poured more than two and a half million gallons of water into the shafts each minute. The cave-in allowed more than ten billion gallons of river water to surge underground. For three days, crews pushed, pulled, and hoisted fifty ton railroad cars into the void. They added four hundred one-ton coal cars and at least twenty-five thousand cubic yards of dirt and rocks. Finally, the giant hole was plugged. Pumping began to save the other shafts and search teams were dispatched to look for bodies.

Mr. Speaker, the Knox Mine Disaster was the beginning of the end of anthracite coal mining in Northeastern Pennsylvania. Officials eventually discovered the company had illegally dug beneath the river bed which extended far beyond legal mining boundaries. No proper surveying had been done and although industry standard was thirty-five feet of rock cover, the miners had followed company orders and quarried up to a mere six feet below the river. Knox Coal Company had ignored orders from federal inspectors to cease operations. Several company officials were indicted. Although deep mining continued in the Northeast into the 1970's, the high cost of resulting new safety regulations coupled with declining demand eventually ended deep mining in the northern coal field.

Mr. Speaker, the Knox Mine Disaster is a turning point in the history of Northeastern Pennsylvania. The image of the grieving families huddled along the banks of the river, exhausted survivors climbing out of the earth and huge train cars being heaved into the whirlpool is still fresh in the minds of most of the area's residents. The disaster is commemorated in the local press every year and the Commonwealth of Pennsylvania will dedicate a historical marker this year. I join with the families of both the victims and the survivors of this horrible disaster in commemorating their bravery and remembering their sacrifice.

REFORM OF THE MINING LAW OF 1872

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. RAHALL. Mr. Speaker, today it is my privilege to introduce, once again, comprehensive legislation to reform the Mining Law of 1872. I am pleased to note that the distinguished gentleman from California, GEORGE MILLER, and PETER DEFAZIO of Oregon are joining me in introducing this measure.

Some may view the introduction of this legislation as a exercise in futility. They are those who benefit from the production of valuable hardrock minerals from certain federal lands without payment of either rent or royalty to the American public. They are those who benefit from the hodgepodge of minimal regulation governing the reclamation of these lands and the lack of suitable environmental safeguards to protect the American public. Yet others, others view the introduction of this measure as a ray of hope. They are those who are concerned that in the last year of the 20th Century the United States still actually allows multinational conglomerates to mine gold, silver and copper from our federal lands for free. They are those, countless citizens, who live in the vicinity of these operations, who must contend with maimed landscapes and polluted streams. And all of us must wonder, is this the type of legacy we wish to leave to future generations?

The Mining Law of 1872 today is an anachronism that will not die. Enacted in an era when the policy of the United States was to populate the West partially by making free land and free minerals available to those who would brave an unsettled and wild region, it has resisted substantial reform despite countless attempts to modernize it and make it responsible to more current policies governing the management of our public domain.

The bill we are introducing today is the very same which passed the House of Representatives by a three-to-one margin during the 103rd Congress. Reintroduced during the 104th and 105th Congresses, it was held hostage by the Resources Committee. Even under A Republican majority, I remain convinced that if allowed to proceed to the House floor, this bill or something similar to it would pass the full House of Representatives.

The issue of insuring a fair return to the public in exchange for the disposition of public resources, and the issue of properly managing our public domain lands, is neither Republican or Democrat. It is simply one that makes sense it we are to be good stewards of the public domain and meet our responsibilities to the American people. This means that the Mining law of 1872 must be reformed.

A TRIBUTE TO JAMES W. HOLLAND

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to pay tribute to an outstanding citizen of Indiana's First Congressional District, James W. Holland. On Saturday, January 16, 1999, Mr. Holland, along with his friends and family, will celebrate his retirement and honor his five decades of public service. The celebration will take place at Marquette-on-the-Lagoon in Gary, Indiana.

In 1943, James Holland graduated from Rock Island High School in Illinois. After earning a Bachelor of Science degree in Education from Northwestern University in 1950, he continued his education at Valparaiso University, completing a Master's degree in Liberal Studies. From 1951 through 1968, he taught twelfth grade Government and Economics in Gary. In 1968, Mr. Holland became the executive for the City of Gary Model Cities Program. Subsequently, as Principal Associate of Jacobs Company, he authored administrative manuals that became the national standard for the Model Cities Program. Mr. Holland devised and established basic Model Cities structures for 15 cities, which led to lengthy on-site consultancies in major United States cities. In 1980, he was one of twenty Fellows selected annually from hundreds of nominees to attend the Harvard University Fellow Program for Senior Executives. Additionally, he served as Deputy Mayor of the City of Gary from 1976 through 1988. As Deputy Mayor, he supervised 38 department heads and administered an over $40 million annual budget, as well as over $100 million in federal programs.

Mr. Holland has dedicated a substantial portion of his life to the betterment of Northwest Indiana, especially the transportation systems of Gary, Indiana.

After 10 years of dedicated service, Mr. Holland is retiring as President of Gary Intercity Lines and General Manager of the Gary Public Transportation Corporation. Under his management, Gary Public Transportation Corporation has won numerous safety awards and other awards from the Indiana Transit Association and the American Public Transportation Association. Additionally, Mr. Holland has served on numerous transportation committees. Mr. Holland was Chairman of the Northwest Indiana Regional Planning Commission, as well as a past member of the Executive Board of the Northwest Indiana General Assembly Study Commission on State Transportation.

On this special day, I offer my heartfelt congratulations. Mr. Holland's large circle of family and friends can be proud of the contributions this prominent individual has made. His exceptional work in the transportation sector of Northwest Indiana will be greatly missed. Fortunately, the community as a whole will continue to profit from his unselfish involvement to make Northwest Indiana a better place in which to live and work. I sincerely wish him a long, happy, healthy and productive retirement.

HONORING THE FIELDING INSTITUTE

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mrs. CAPPS. Mr. Speaker, I rise to pay tribute to the Fielding Institute.

The Fielding Institute has been a leader in distance learning for mid-career professionals since it was founded in Santa Barbara, California in 1974.

With the development of a revolutionary "Learning Community" concept that provides

lifetime learning opportunities for its scholars, the Fielding Institute has maintained its leadership in the field.

The Institute has built an outstanding reputation for its graduate programs, including doctoral programs in Clinical Psychology, Human and Organizational Development and Educational Leadership and Change and a masters program in Organizational Design and Effectiveness.

Their approach offers highly effective, customized, professionally rich and interactive learning processes, along with significant possibilities for learning created by emerging electronic technologies.

In providing a graduate learning experience using technology that is uniquely tailored to the professional and personal needs of adult learners, the Fielding Institute has been at the forefront of the distance learning movement.

And so Mr. Speaker, I would like to commend the Fielding Institute. They have provided 25 years of service and outstanding graduate learning opportunities to the scholars of California, the United States and the world.

TRIBUTE TO THE AMERICAN HONDA MOTOR CORPORATION

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to the American Honda Motor Corporation and Mr. Eric Conn, Senior Vice President, for establishing the ''Honda Player of the Year Award.''

This is the eighth year that American Honda has recognized the most outstanding professional soccer player in the United States to defend the colors of our country as chosen by 200 members of the press from the United States and abroad.

In addition, American Honda, recognizing the importance of our youth, designated the American Youth Soccer Organization (AYSO), as a beneficiary of their fine program.

Past recipients of this most prestigious award include: Eddie Pope (1997), Eric Wynalda (1996 and 1992), Alexi Lalas (1995), Marcelo Balboa (1994), Thomas Dooley (1993), and Hugo Perez (1991).

The 1998 awards finalists included Kasey Keller, Eddie Pope, and Cobi Jones.

The winner received a New Honda Accord EX and $5,000, the latter donated to AYSO on his behalf.

It is because of the awareness and dedication of responsible corporate entities in our country, exemplied by the American Honda Motor Corporation, that today's true role models can become more well known.

Please join me in saluting the very important contribution to excellence made by American Honda.

ON ENTERING A LETTER TO THE HONORABLE DAVID DREIER ABOUT THE DELEGATE VOTE

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Ms. NORTON. Mr. Speaker, today I rise to correct an erroneous statement by my good friend and colleague from California, concerning the constitutionality of the Delegate vote in the Committee of the Whole. On January 6, 1999, the gentleman from California, Mr. DREIER, made the remark concerning the Delegate vote in response to my statement on withdrawal of my right to vote in the Committee of the Whole, despite the fact that D.C. residents alone among American citizens pay federal income taxes while lacking full representation in the Congress. He said that a federal court had settled the constitutionality of the Delegate vote against the District. As my letter points out, the opposite is in fact the case. Both the District Court and the Court of Appeals for the District of Columbia have ruled that the Delegate vote is constitutional. The text of the letter follows:

January 7, 1999.

Hon. DAVID DREIER
Member, U.S. House of Representatives, Cannon H.O.B., Washington, DC.

DEAR DAVE: I am writing to point out an error in your statement on the House Floor, as recorded in today's CONGRESSIONAL RECORD that ''in 1993 a Federal judge found a House rule change to allow Delegate voting in the Committee of the Whole could be unconstitutional, so that clearly was addressed at that time.'' I did not realize that you were unaware that the opposite is the case. Both the U.S. District Court and the U.S. Court of Appeals for the District of Columbia found that Delegate voting is constitutional. In *Michel* v. *Anderson*, 817 F.Supp. 126 (D.D.C. 1993), and subsequently on appeal in *Michel* v. *Anderson*, 14 F.3d 623 (D.C.Cir. 1994) the courts that heard the case found that the House is the sole arbiter of its own rules and that it could amend its rules to allow Delegate voting. I assure you that I would have never have been so reckless as to take to the floor and argue for something already declared unconstitutional by the courts.

Delegate voting was originally applicable to all Delegates and included jurisdictions whose residents do not pay federal income taxes. After the vote was withdrawn, several Members, including some on your side, indicated they would support the vote in the Committee of the Whole for District residents because of our federal income taxpaying status. Given the fact that there must be a revote if the Delegate vote proves decisive in the Committee of the Whole, it seems needlessly punitive for a Congress that regards taxes as a priority, to deny this vote, harmless to your side, to Americans who are third per capita in federal income taxes. If, as I believe, the constitutional matter has been cleared up, I hope that you will have occasion to reconsider the Committee of the Whole vote for the District residents.

Best personal regards.

Sincerely,

ELEANOR HOLMES NORTON.

CONGRATULATIONS TO MS. RUTH COLLINS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I stand to congratulate Ms. Ruth Collins Sharp Altshuler, national recipient of the Outstanding Philanthropist Award for 1998. The third Dallasite to win the award, she will receive this honor from the National Society of Fund Raising Executives at its 36th International Conference on Fundraising, April 26 in Miami Beach.

Mr. Speaker, the award is one of meritorious commendation of an individual's commitment and work in philanthropy and fund raising on the behalf of notable causes that help others. Before Mrs. Altshuler, Ross Perot and Cecil H. Green, cofounder of Texas Instruments, were recipients of the award in 1986 and 1994, respectively. Based on her work, she is both deserving of the award and to be noted in such esteemed company.

She is the founder of the local Alexis de Tocqueville Society, whose members nationally give $10,000 or more to the efforts of the United Way each year.

She has contributed countless time and energy to the Salvation Army, particularly the Carr P. Collins Social Service Center, named in honor of her father. At the Carr P. Collins Social Service Center, many homeless families have access to shelter, food, and rehabilitation programs.

Mr. Speaker, Mrs. Altshuler is also known for leading the cause of advocacy and understanding on issues of mental illness and mental illness research. She has been able to make individuals more aware of this issue through her ability and courage in sharing her own family experience. Where many families are naturally apprehensive to talk about the subject, she is discussing this issue in a frank and open manner. As a result, many people look at the issue in a different framework, and are feeling positive about developing solutions to mental illness.

Mr. Speaker, once again, I would like to pay tribute to Ruth Collins Sharp Altshuler and her being named as the national recipient of the Outstanding Philanthropist Award for 1998. I thank her for her efforts and wish her continued success.

IN MEMORY OF MEGHAN ELIZABETH PRICE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. HOYER. Mr. Speaker, I rise today in memory of Meghan Elizabeth Price, who was the President of the Student Government Association at the University of Maryland, College Park. Meghan tragically died in a car accident on December 29, 1998. She was a senior Government & Politics major and was preparing to attend law school in the fall. She is

survived by her parents, Karlyn ''Susan'' Price and John ''Sonny'' Price, as well as her brother Jonathan.

Meghan was a respected student leader in College Park. She served in many leadership positions on campus. Prior to her election as President in October, she held the positions of Vice-President of Campus Affairs, Legislative Director, and the Cambridge Community Legislator for the Student Government Association. While she was the Vice-President of Campus Affairs she helped to found the Flagship Initiative, which is a student initiated effort to lobby the General Assembly for increased funding for the University of Maryland, College Park. She also worked closely with University of Maryland Officials, including the President and the Athletic Director, to improve the quality of life for all of the members of the University of Maryland community.

Meghan's activism began before she arrived in College Park and extended beyond just the College Park community. She attended Southern Garrett High School where she was a member of the Student Council for four years and was the President her senior year. She was also the Drum Major of the Marching Band, and a four-year member of the softball team. In addition she interned at EMILY's List and volunteered on my re-election campaign.

Meghan was a member of Omicron Delta Kappa Fraternity and a graduate of the College Park Scholars Public Leaders Program. She participated in the Blind Skiers Program at Wisp and the annual University of Maryland Holocaust Memorial Vigil.

It is regrettable the such a young, motivated and inspirational leader is lost so early in life. Meghan touched so many people in her short time with us and set an example that will shine forth for all to see, even in her absence.

I join with the University of Maryland community in expressing my sorrow in the loss of a visionary leader and an admired human being. May God bless those she left behind.

IN HONOR OF MONSIGNOR MASAKOWSKI

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to bring a momentous occasion to the attention of my colleagues—the Centennial Celebration of the St. John the Baptist Church in Larksville, Pennsylvania. On Sunday, January 24, the community will gather to commemorate this anniversary and I am pleased to have been asked to participate. His Excellency, the Most Reverend James C. Timlin, D.D. of the Archdiocese of Scranton will celebrate a Mass of Thanksgiving to begin the festivities.

The church was founded by a group of Polish immigrants, mostly peasant farmers from Galicia, who settled in the Wyoming Valley to work in the coal mines. Toward the end of 1898, a group who had been attending another local church, decided to construct a Polish Roman Catholic Church in Larksville. They formed a committee to meet with the Bishop and obtained permission to begin construction. A wooden frame church was completed in December 1898 with Reverend R.A. Nowicki as Pastor. The church was officially dedicated in February 1899.

A school and parish meeting hall were constructed soon after and the parish continued to grow. On December 18, 1919 tragedy struck the parish when fire destroyed the church, school, and part of the rectory. The sturdy immigrant parish was not to be discouraged and quickly began the task of rebuilding.

Under the leadership of Reverend Paul A. Kopicki, construction of a new St. John the Baptist Church began in May of 1920. On December 25, 1920, the new church was dedicated at midnight mass.

The new church was reborn spiritually as well, with Father Kopicki starting the parish picnic, minstrel shows, and children's talent shows. A choir was formed under the leadership of Benjamin Jachimowicz. By 1928, the church had a new rectory and by 1935, a new school was opened. The school, which was run by Bernadine nuns, closed in 1959 due to a shortage of teachers and lack of space.

Mr. Speaker, the list of priests who have been spiritual leaders of St. John's is lengthy. On September 7, 1971, my good friend Father John Masakowski became the twelfth pastor of the church. Father John is from my hometown of Nanticoke and brought years of experience and wisdom to St. John's. Father Masakowski reinstated the now-famous parish picnic and renovated the interior of the church. He reorganized the church societies and had a grotto constructed to Our Lady of the Pines in the church park. In 1990, Father John was made Monsignor, much to the pride of his faithful parishioners. This year, they will celebrate his Golden anniversary of ordination.

Mr. Speaker, I have enjoyed the parish picnic at St. John's many times over the years of my tenure in Congress. Its parishioners are decent, hardworking people, many of whom I am proud to call friends. I am pleased to have this opportunity to bring the history of this proud and thriving parish to the attention of my colleagues. The history of the church is a testament to their dedication and perseverance. I congratulate Monsignor Masakowski and the congregation on this momentous milestone.

IT IS TIME TO CHANGE THE STATUS OF PERSIAN GULF EVACUEES

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Mr. RAHALL. Mr. Speaker, two years ago, during the 105th Congress, I considered it a duty to introduce private relief legislation on behalf of 62 families who were air-lifted out of Kuwait during Iraq's invasion of that country. These families were brought out of Kuwait involuntarily, most without the opportunity to bring private belongings or assets with them. nearly all have children who are U.S. citizens. As indicated by their having been cleared by the INS and the FBI, the Persian Gulf Evacuees [PGE's] are shown to be professionals who are gainfully employed, none of whom have become wards of the States in which they live, received welfare assistance, or otherwise broken any U.S. laws while in the United States.

Because of their actions in Kuwait at great risk to themselves, to provide safe harbors of Americans trapped that country during Saddam Hussein's attack, these Persian Gulf evacuees deserve our utmost respect and gratitude.

I urge my colleagues to take note of this private relief bill, because the Persian Gulf evacuee families are scattered all over the United States, and one or more families may live in your Congressional District, and they need your support to help get the bill out of committee and enacted into law.

President George Bush, in air-lifting them out of Kuwait during those perilous days just prior to U.S. Military intervention, did so to protect their lives. He gave the evacuees five years of ''safe harbor'' in the United States during which time the evacuees made every effort to adjust their status to that of permanent immigrant. After President Bush left office, President Clinton extended their stay here for an additional two years.

At the time of the air-lift, more than 2,000 individuals were involved; during the intervening years, all but 62 individuals and families have ''adjusted'' their status and have gained permanent immigrant status in the United States where, as I have said, they are self-supporting and have brought no financial burden upon the United States for their care and keeping.

These 62 remaining individuals and families have not had their status adjusted in the intervening years because many of them ran into barriers between themselves and the Immigration and Naturalization Service [INS] that kept appropriate interviews from being conducted with the evacuees and further kept the FBI from starting and completing necessary background checks on the evacuees to assure they had committed no crimes while in the United States.

Today, I have reintroduced a Private Relief Bill naming 62 individuals and families who are known as Persian Gulf evacuees [PGE's] and I urge my colleagues to join with me to serve those evacuees who may live in your Congressional District to ensure appropriate action is taken this year to grant them permanent immigrant status in the United States.

IN HONOR OF JUDGE MARILYN MORGAN

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 19, 1999

Ms. LOFGREN. Mr. Speaker, I rise to honor a true humanitarian and an outstanding member of my hometown community of San Jose, California.

Judge Marilyn Morgan has served on the United States Bankruptcy Court with honor and distinction for over ten years. To acknowledge her exemplary service on the bench, as well as her prior service as an attorney and trustee, the consumer bankruptcy community

of Division 5 of the Northern District of California is honoring Judge Morgan with the Fresh Start Award. This honor is given to those who have provided outstanding leadership on issues concerning the bankruptcy system and those who strive to improve it. The Fresh Start award also honors those who have worked hard to maintain equity, integrity, fairness and compassion in the system. Judge Morgan is a shining example of the best in our judicial system.

Judge Morgan demonstrated her commitment to fairness and justice even before pursuing her career in the field of law by working in the civil rights movement in Atlanta with (now Congressman) John Lewis and others.

Prior to serving on the bench, Judge Morgan practiced law in San Jose, and was always mindful of the needs of our community. She provided pro-bono legal assistance to underserved members of our community and served as secretary of the Pro-Bono Project. Judge Morgan represented both debtors and creditors in chapter 7 and chapter 13 cases. She also found time to serve as a Chapter 7 trustee, and in that capacity was a founder and officer of the National Association of Bankruptcy Trustees (NABT).

As an expert on bankruptcy law, Judge Morgan has participated as a panelist or moderator at seminars conducted by groups such as the Norton Institute, the American Law Institute-American Bar Association, and the National Association of Consumer Bankruptcy Attorneys. She also served as a panelist before the National Bankruptcy Review Commission as it studied the need for bankruptcy reform.

While practicing law, Marilyn Morgan participated in the activities of several professional associations, serving as President and Treasurer of the Santa Clara County Bar Association and as a trustee of the Santa Clara County Law Related Education Committee, to name a few. She is an active member of the National Conference of Bankruptcy Judges. In addition, she has been an officer or director of many community organizations in San Jose, including the Rotary Club of San Jose, the American Red Cross and the Downtown YMCA.

Judge Morgan has shown leadership on many issues of concern to the bankruptcy community in San Jose. She was instrumental in the creation of the Chapter 13 subcommittee which has provided a valuable forum for communications between the Bench and the Bar, as well as a vehicle to elevate the practice of law.

On January 14, 1999, Judge Morgan received the Fresh Start Award. I ask my colleagues to join me in congratulating Judge Morgan for receiving such a special award. She is to be commended for her efforts to improve the consumer bankruptcy system in her community