

SENATE—Friday, October 22, 1999

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Sovereign of our beloved Nation, we express our profound gratitude for citizenship in the United States of America. We want to do this in a way that does not overlook Your watchful care of all peoples of the Earth. Today we conclude this Character Counts Week with renewed dedication to the character trait of citizenship.

Forgive us, Lord, for taking for granted the privileges of being citizens of this land which You have blessed so bountifully. We seldom think about our freedoms of worship and speech and assembly and the freedom to vote. Today, we praise You for our representative democracy. Thank You for the privilege of serving in government. Help the Senators and all of us who labor with and for them to work today with a renewed sense of awe and wonder that You have chosen them and us to be part of the political process to make this good Nation great.

May a renewed spirit of patriotism sweep across our land. Help the children to learn that an important aspect of love for You is loyalty to our country. We dedicate ourselves to right wrongs and to shape political programs that assure opportunity and justice for all Americans. So today as we pledge allegiance to our flag, may our hearts express joy: This is our own, our native land. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MIKE DEWINE, a Senator from the State of Ohio, 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.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Delaware is recognized.

SCHEDULE

Mr. ROTH. Mr. President, today the Senate will resume consideration of the motion to proceed to the sub-Saharan Africa free trade bill. Any Senator desiring to debate the motion to pro-

ceed is encouraged to come to the floor to make their statement. As announced last night, there will be no rollcall votes today or during Monday's session of the Senate. The next vote will be on the morning of Tuesday, October 26. The Senate may also consider appropriations conference reports or any other legislative or executive matters that can be cleared.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the motion to proceed to H.R. 434, which the clerk will report by title.

The bill clerk read as follows:

Motion to proceed to the consideration of H.R. 434, an act to authorize a new trade and investment policy for sub-Saharan Africa.

Mr. ROTH. Mr. President, I rise in support of the motion to proceed to H.R. 434. As Senator GRASSLEY, chairman of the Finance Committee's Trade Subcommittee, indicated last night, I will offer a manager's amendment—to be titled the Trade and Development Act of 1999—as a substitute for the House-passed language.

That act will include the Senate Finance Committee-reported bills on Africa, an expansion of the Caribbean Basin Initiative, an extension of the Generalized System of Preferences, and the reauthorization of our Trade Adjustment Assistance programs. I want to explain the intent behind these measures and my reasons for supporting their passage.

Let me begin with Africa. No continent suffers more from poverty, hunger, and disease. Those problems have been compounded by colonialism, cold war politics, corruption, social division, and environmental disaster. Our daily news records the desperate images of starving mothers and their children, small boys employed as the dogs of war, and the slaughter of wildlife as poachers attempt to eke out a living on the bare plains of Africa.

The result has been the lowest living standards and the lowest life expectancy of any in the world. Those conditions have too often reinforced a dangerous cycle of war, political instability, and economic decay.

What the daily news has too often overlooked are the efforts of so many of our African neighbors to restore political freedom, guarantee human rights, and foster economic hope.

In the past decade, we have seen an end to apartheid in South Africa and the peaceful transition to black majority rule. We have seen Nelson Mandela go from political prisoner to president.

We have witnessed the more recent restoration of economic links between South Africa and the former "front-line states," between Uganda and Tanzania, and between the sub-Saharan region and the rest of the world. We have benefited from the example of courage and dedication that many sub-Saharan African states have provided as they have confronted the daunting challenges they face.

We have also seen nothing short of a revolution in economic thinking. Africa has too frequently been the beneficiary of bad economic advice from well-meaning international institutions, technical advisers, and even creditors.

That advice often encouraged crushing debt, confiscatory taxation, growth-killing devaluations, inefficient state-owned enterprises, and economic mismanagement. For too long, our African neighbors have been encouraged to adopt models of economic development that have, in fact, wasted their most valuable resource—their people.

That era has now come to an end. The new Africa is tackling its own problems and the new Africa can be the master of its own economic destiny.

It is in that context that the African title of the Trade and Development Act is relevant. It offers tariff preferences to sub-Saharan Africa that will encourage economic foundation on which the eligible countries can build their own future. Equally important, it reflects a belief in the power of markets, incentives to investment, and human potential.

That approach enjoys broad bipartisan support in both Houses of Congress and by the President, who mentioned the bill as one of his top foreign policy and trade priorities in this year's State of the Union Address. As the chart behind me attests, the legislation also enjoys broad support in the business community, among U.S. and foreign opinion leaders, as well as, most importantly, from the potential African beneficiaries themselves.

Numerous U.S. businesses and business groups have expressed their support for moving this legislation. That group includes companies as diverse as Oracle, Cargill, General Motors, Enron, and The Limited.

The list of supporters includes the NAACP, the Southern Christian Leadership Conference, and the National Council of Churches. It includes opinion leaders such as Nelson Mandela, Coretta Scott King, the Reverend Leon Sullivan who led much of the fight in this country to force change in South Africa under apartheid, and Robert Johnson, the founder of Black Entertainment Television who appeared before the Finance Committee in support of the legislation. And, most importantly, the legislation is endorsed by all 47 of the potential beneficiaries in sub-Saharan Africa.

The bill deserves our support as well.

The Trade and Development Act of 1999 would do much the same of the Caribbean and Central America that it would do for sub-Saharan Africa. It expands the existing benefits available under the Caribbean Basin Initiative to include the duty-free and quota-free treatment of the value added in the Caribbean to apparel made from U.S. yarn and U.S. fabric.

It is no understatement to say that the countries of the Caribbean and Central America have faced problems similar to those faced in Africa, and oftentimes on a similar scale. It was only a decade or so ago that Nicaragua was an avowedly Marxist state harboring guerrillas that sought to undermine the governments and economies of Central America. It was only a decade or so ago that El Salvador was confronted with bloody civil strife and a mass migration of its people northward to escape the conditions of poverty and hopelessness that recurring civil war had brought.

More recently, the region has been hit by natural disasters, rather than the man-made variety. This past year, Hurricane Mitch devastated the islands of the Caribbean and the countries of Central America. Among the hardest hit were Honduras and Guatemala, where farms and factories were literally washed away overnight. Both countries confronted the need to rebuild their economic infrastructure from the ground up.

Since 1983, the countries of the region have been eligible for enhanced tariff preferences under the Caribbean Basin Initiative. The CBI was expressly designed to encourage private investment and an economic partnership between the firms in the United States and firms in the Caribbean. The CBI accomplished that objective.

In 1993, however, with the conclusion of the NAFTA, the margin of preference enjoyed by the CBI beneficiaries was undercut by the preferential treatment accorded Mexican goods under that agreement. That was particularly significant in the area of textiles and apparel, where the NAFTA rules of origin gradually encouraged a shift in United States investment and trade from the region to the Mexico.

In order to make good on the initial promise of the CBI, the Caribbean title of the manager's amendment would encourage the manufacture in the Caribbean of apparel articles made from U.S. fabric woven with U.S. yarns. In effect, the bill would simply restore the margin of preference it previously enjoyed in the region in such manufacturing.

At this point, it is worth outlining the reasons why the Finance Committee settled on the particular package of benefits extended to textiles and apparel under both the Africa and CBI titles of the manager's amendment.

For many years, we have employed a program that encouraged production sharing between the United States and many countries in the developing world. That program—generally known as the "807" program—allowed for the export of U.S.-manufactured components off-shore for assembly.

Under the 807 program, when the assembly was complete and the goods were returned to the United States, the importer paid duty only on the amount of value added offshore in the assembly process.

Do such programs work? The answer, based on the latest reports of the International Trade Commission, is an unequivocal yes. They work for both the beneficiary countries and for American firms.

Production sharing programs, according to the ITC, are used by American companies "to minimize their overall costs and improve competitiveness." Indeed, in most instances, American firms experience "enhanced overall competitiveness" that "allows companies to maintain higher U.S. production and employment levels that might otherwise be possible." In short, the programs reflected in both the Africa and CBI titles of the manager's amendment are designed to create a "win-win" outcome for the regions and for American firms.

The American textile industry's latest analyses vindicate the approach we adopted in the Finance Committee.

I think it is fair to say that when we started the process of considering these programs for Africa and the Caribbean in the 105th Congress, the textile industry was lukewarm at best. What they have found in the intervening three years is that the bill proposed by the Finance Committee would help create a competitive platform from which American firms could compete effectively on a global basis even in the face of fierce competition from exporters such as China and India.

According to the respected industry consultant, Nathan Associates, the Finance Committee bill would "increase U.S. textile shipments by \$8.8 billion and increase U.S. textile and textile-related employment by 121,400 by the end of five years."

That result led the president of the American Textile Manufacturers Insti-

tute, Doug Ellis of Southern Mills, to conclude that the Senate Finance Committee bill would have a "very strong and direct positive impact . . . on U.S. textile production and jobs." He indicated that the legislation will "significantly enhance" trade between the United States and the beneficiary countries. For that reason, ATMI, urged the Congress to support the Finance Committee's bill.

What is more, U.S. wholesalers, retailers, and consumers benefit as well. The direct effect on the duty preferences extended under the manager's amendment will be to lower the cost of apparel products sold in the United States as cost savings are passed on to the consumer.

The indirect effect is that, by ensuring the continuing competitiveness of the U.S. industry, the bill would also encourage continuing competition well into the future. That competition ultimately means a broader range of higher quality goods available to the consumer at lower prices.

I want to pause here to reemphasize my basic point. Under the manager's amendment, everyone in the U.S. textile and apparel market—from the farmer growing cotton to the yarnspinner to the fabric-maker to the apparel manufacturer to the retailer to the consumer—wins under the Finance Committee bill. The same holds true for the beneficiary countries.

Now, I would be remiss if I failed to mention two other particularly important provisions of the manager's amendment. The first is the renewal of the Generalized System of Preferences. The GSP program lapsed in June of this year. Much depends on its renewal.

The program was designed to create an incentive to investment in the developing world. Since its inception in 1975, the GSP program has done just that. Now, however, in the absence of the renewal of the program, that needed incentive to productive capital investment will be cut off. Many American firms that depend on the GSP program will be hurt along with the beneficiary countries.

The second additional item is the reauthorization of the Trade Adjustment Assistance programs. The TAA programs are designed to help U.S. workers and firms adjust to new levels of import competition.

I have always maintained that those that benefit from trade should care for those who are hurt by the economic adjustment trade can engender. For that reason, I rushed to the floor to object when there was an initiative to do away with these programs in the past. In my view, the TAA programs represent a down payment on the commitment we must make to workers as the United States if we want them to join us in support of the benefits trade brings.

In closing, let me urge my colleagues to listen carefully to the debate they

will hear in the coming hours on the motion to proceed to H.R. 434. I firmly believe that my colleagues will hear no meaningful objection to the Senate Finance Committee's approach to providing additional trade incentives to sub-Saharan Africa, the Caribbean, or the developing world generally through the renewal of GSP. Nor can there be any principled objection to the renewal of the TAA programs.

This is a significant step in favor of engagement with our neighbors in Africa and the Caribbean to help them surmount their own economic problems. I urge my colleagues to vote for the motion to proceed to the bill.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I thank the Chair.

(The remarks of Mrs. MURRAY pertaining to the introduction of S. 1772 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. MURRAY. I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, on the objections I have registered to the motion to proceed to the CBI/sub-Saharan bill, I was delighted to hear the chairman of our Finance Committee relate the reason for it. The reason, perhaps, is well-founded: good foreign policy.

I have sponsored and recommended some kind of Marshall Plan for the country of Mexico for the simple reason that Mexico is our neighbor; it is our friend. We have a responsibility to assist it, and we are responsible for the problems NAFTA has caused, which are quite obvious with respect to immigration and drugs. If we can put in a plan where Mexican workers can have workers' rights and some money in the economy would not be stripped and sent back to the bankers in New York or to the investment wizards from all the other countries, including the United States—you can cross from California into Tijuana, Mexico; one would think you were in Seoul, Korea. If we could do that, we could have some prosperous parity with our friends in Mexico.

Unfortunately, we went the so-called NAFTA way. We have had approximately 5 years to measure the success or failure of NAFTA. Everywhere I go I hear: Oh, isn't it wonderful how well it has worked.

The truth is, they told us in the original instance this was going to create jobs in America, just as the distinguished Senator from Delaware is telling me this bill is going to create jobs in the United States.

It is a win-win situation, he says, from the farmer to the apparel manufacturer. And he goes down the list: What a wonderful win-win situation it is.

I do not advise that he come to South Carolina and tell them that, where they have lost 31,700 textile jobs since NAFTA. They are streaming out. Why? Because you and I, Mr. President, set the American standard of living. That is a bipartisan effort whereby we all agree on a minimum wage, Social Security, Medicare, Medicaid, safe working place, safe machinery, plant closing notice, parental leave, clean air, clean water—on down the list. We can continue to list Republicans and Democrats joining in setting our highest standard of living.

Obviously, it is competing with one of the lower standards of living. You can go down to Mexico for 58 cents an hour. There are none of those protections. You are guaranteed a profit. And everybody is streaming down there.

But we are losing jobs not just in South Carolina but all over the Nation. The overall job loss is in the textile and apparel sector over the last twenty five years is some 1.2 million, and 420,000 of them are textile jobs since NAFTA. They said we were going to get 200,000 new jobs. We have lost 420,000. They said, oh, it was going to solve the immigration problem. I know better—by handling the immigration appropriations—there is the Border Patrol, and how we are breaking out abandoned Navy yards and using schools, and having thousands of additional agents, and everything else of that kind, and illegal immigrants keep coming. The immigration problem is worse today than it was 4 or 5 years ago.

Drugs? Heavens above. There is a drug culture. You have to break it. You don't break it with NAFTA. It is worse today than it was 4 to 5 years ago. Even the Mexican worker is taking home less pay than he was taking home 5 years ago.

So there is no education in the second kick of a mule. When they come around and say, let's spread this NAFTA approach elixir and spread that down to the rest of the countries over to the sub-Sahara, or any elsewhere else in the world, we say, now, wait up.

Of course, if you listen to my distinguished colleague, he talks about the 48 sub-Sahara African countries. Certainly they are for it. They are for foreign aid. The retailers and wholesalers, and so forth, they get lower costs. Yes; there isn't any question about that. You can produce it for 58 cents an hour—no clean air, no clean water, child labor, and everything else of that kind in these countries abroad. That is a given, known fact. We have college students, who know better, demonstrating against that. Everybody knows it. We want to make it an official policy?

They say: From the farmer to the apparel manufacturer, and on, it is a win-win situation. Well, of course, unfortunately, it is a losing situation. As I

have indicated, we have been through this singsong.

It started some 40 years ago or more with Japan. I will never forget, at the particular time I was a young Governor in South Carolina, they said: Now, Governor, what do you expect these emerging countries to make? The airplanes and the computers? Let us make the airplanes and computers, and let them make the textiles, the clothing, and the shoes.

The trouble is, 40 years later, with our noncompetitive blind kind of foreign trade policy, they are making the shoes, they are making the textiles, they are making the airplanes, they are making the computers, they are making everything. When we get into full debate on Monday, we will point out and list down exactly what has been going on and how we have been hollowing out the industrial strength of America.

Last evening, we had a delightful exchange with the ranking member of our Finance Committee, the senior Senator from New York, Mr. MOYNIHAN. He was relating back to when he was on the Kennedy team negotiating the trade policy, which was an outstanding policy at the time. It was outstanding in that it was realistic.

President Kennedy knew the situation. I went and showed how we brought the witnesses, and everything else, and found that textiles was second only to steel as the most important to our national security. And with that authority under the law, President Kennedy enunciated his seven-point textile program, from which came the Kennedy Round, the Multi fiber Arrangement, One Price Cotton; and it gave a chance—yes, to sort of an archaic industry—to really refurbish, retool, modernize, and compete.

Until the recent years, like NAFTA, they had been putting in \$2 billion a year, at least \$2 billion a year, in the State of Delaware, the State of South Carolina, and the several other States to modernize and compete.

I went to a plant there in Clinton, for example—I went to numerous ones last year—but this was an old plant, over 100 years old, that looked to me as if it was going to fall down. But I was pleasantly surprised when I walked in. They had the most modern machinery and the highest productivity you could possibly imagine.

There isn't any question that the industry has been brought into the world of reality of so-called global competition. The only trouble is that our competitors are fancy-free and footloose with their protections, with their non-tariff trade barriers, and other measures to protect their economic strength, and we are blindly pell-mell down the road with this so-called free trade, free trade, when, of course, it is obviously not free.

That goes back now to the standard of living I talked about. And more

than the standard of living—if this passes because it will change what we said with the Multi fiber Arrangement just 5 years ago after GATT/WTO: That we were going to have a phaseout of any kind of quotas.

I know the distinguished Chair knows about subsidies. We have done all the research, just about, for the aircraft industry. We give them Export-Import Bank financing. We do not do that for textiles. We do not do that for textiles.

But I see all of these people come out for the farmer. Yes, I had to talk to a farmer friend yesterday. I support the farmers. I support that aircraft industry. The farmers, they get subsidized water, subsidized telephones, subsidized electricity. They get export subsidies. If it rains, they get protection; if it dries up, they get protection.

And Oracle. The Senator from Delaware says: Oracle is with us. That is that crowd with whom we started the Internet. You would think, by gosh, they invented it. The politicians, the Pentagon, we did all of that back in 1967, 1968, 1969. We put in, at the University of Illinois and Stanford, the training programs for which ultimately benefited Mr. Yang of Yahoo and other Internet start-ups. And so fine, our friend Gates, he has 22,000 employees, and there are approximately 22,000 millionaires. There was nothing wrong with that. But don't talk about the engine of this prosperity and economy as this crowd. No, sir.

We go back to Henry Ford when he said, in order to sell his car: I want to make sure the person producing it is making enough to buy it. He started generating, more than anyone, just with Ford automobiles, the middle class in America. General Motors, compared to those 22,000, has 250,000. We had that machine tool industry, and we had all the rest of these good manufacturing establishments, but we have gone to software, which doesn't help us in our exports nearly as much as the heavy manufacturers. And it is not the engine. It is the hard industries that are the engine of our economy.

When you give me Oracle and Exxon and the rest of them on this particular bill, and foreign policy, obviously they are trying to explore oil in the sub-Saharan. They are trying to sell their goods anywhere else in the world and, of course, in Central America. But right to the point, this is the sort of last chance we have for a formative industry, second-most in importance to our national security. It is the last chance in the sense that after 5 years of the 10-year phaseout, the textile manufacturers all invested in that 10-year policy. So if we cut it off in October of 1999, cut it off at least 5 years short, they begin to lose the investment. They don't get the return. They don't increase their productivity.

I never heard such an outrageous statement, that this is going to in-

crease their productivity. They immediately freeze in their tracks and say, no, we can't get our money back out of trying to, even again, buy a better spindle and get even a higher production. They begin to lose their money as well as the workers lose their jobs. It is a lose-lose situation because, bottom line, look what happens.

Like I say, all these other countries invest down there in the various Central American countries. Honduras, seven Taiwan firms, including the leading Chung hsing Textile have invested \$24 million. Again, the Republic of China will provide \$15 million in low-interest loans for Honduras to build an export processing zone, an EPZ. Then the Taiwan manufacturers in the upper and lower streams of the textile industry are planning to form integrated textile production in San Pedro Sula down in Honduras and Central America. The South Koreans, Kim and Arzu, have agreed on the need to diversify South Korean investment in Guatemala and their particular textile investments down there.

Looking at the Caribbean as a potential staging ground and production base, the Malaysian textile industry uses Caribbean plants as the gateway to the United States. Then again some 18 Taiwanese companies are down there. South Korea, 180 small South Korean companies, mostly textile and garment makers, have invested \$130 million in five Central American nations. You can go right on down the list.

I am going to get in the RECORD on Monday the 100,000-acre tract the People's Republic of China, Beijing, developed—that industrial tract—down in Mexico. So it isn't somehow that we are opening it up for American fabric. Yes, temporarily that ATMI crowd, they thought they could just hold on to American fabric, but Burlington has found differently. They have moved down and other fabric manufacturers are moving. Why? Because it is cheaper in Mexico.

When it comes right down to it, it might be a good aim but it is a bad recoil. We learned that with the artillery in World War II. No matter how well the gun was aimed, if the recoil is going to kill the guncrew, don't fire. That is why we object to proceeding to this particular bill—because the recoil here is going to kill this important industry.

I will be glad to get into it in depth when we have all the Members back here the first part of the week. Of course, the President, yes, he is building a library now, and he is looking to see what he did down in Central America and what he did in Africa and traveling around building a library. But he is absolutely draining, so to speak, the industrial strength in the United States of America. It is a sad thing to see that more people are not exercised

about it. This has been going on for years on end. President Kennedy was worried, and that is why he put in his seven-point program when only 10 percent of the textile apparel consumed in the United States were represented in imports.

Now I am looking at at least two-thirds—nearly 70 percent of the clothing I am looking at in this Chamber is manufactured outside the United States; and, of course, the shoes, 86 percent of the shoes on the floor. But it has gone on to cameras and hand tools and everything else.

Just earlier this year we found out about steel. The World Bank runs around and says, wait a minute, in order to become a nation state, you have to have the steel for the tools of agriculture and the weapons of war. So the World Bank gives these 2-percent loans, all over the entire world, down through Africa, into the Middle East, Saudi Arabia and Iran, now to the People's Republic of China. So they get an overproductivity of steel, and they come dumping it here. And we are telling them, let us get more competitive. You have to look at these broad policies. You have to look at this broad foreign policy that the Senator from Delaware now enunciates and how wonderful it is that we are going to make friends in the sub-Saharan and down in Central America.

I think the Koreans, the Malaysians, the Taiwanese, the Japanese, and everyone else will be making the friends. They are quicker, faster; their countries subsidize, finance. They have followed the MITI form, not the American capitalistic form, but the controlled capitalism of the Ministry of Industry and Trade in the country of Japan.

That said, I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, first, let me make the observation that textile jobs are being lost to China and India, not to Mexico. NAFTA has helped increase U.S. textile shipments. But I think it is particularly important to understand that it is not I who is saying that the legislation before us will help the textile industry; rather, it is the textile industry itself. It is the President of the American Textile Manufacturing Institute that is telling us that the Finance Committee will raise textile shipments by \$8.8 billion over the next 5 years. That is what is significant, Mr. President—that it is the textile industry itself that is asserting that the legislation before us will help the textile industry to the tune of \$8.8 billion and, most important of all, it will increase employment by 121,000 jobs.

That is the reason I made the comment that it is win-win because we are not only helping the countries such as the sub-Saharan Africa CBI, but we are helping the workers here at home. We

are not talking about what happened in the past; we are talking about what will happen in the future. And what we are seeking to do is to enact legislation that will both create jobs and help the industry. I should also point out, most importantly, it will be of benefit to the retailers, the wholesalers, as well as the people who acquire the goods. So I reiterate what I said earlier, that this is good legislation. It accomplishes what I think we all want—a stronger economy in the textile area.

Now, on the immigration issue, my distinguished colleague says NAFTA hasn't helped. What that statement overlooked is the strong flow of illegal immigration. But, again, as I said earlier, it is not from Mexico; rather, it is from Central America and the Caribbean, which is precisely the reason that the Finance Committee bill will help. In other words, by strengthening their economy, there will be jobs there, and as a result of that, there won't be the need for the illicit immigration that has occurred in the past.

As to who would benefit, my distinguished colleague cannot possibly claim that Korean and Taiwanese firms will benefit. As I explained before, the only fabric that will benefit is American fabric. It is U.S. textiles that will benefit and U.S. export of textiles. So my colleague argues that we are losing in manufacturing. In fact, it is increasing, and that is the purpose of this legislation.

Mr. President, I think it is important that the record reflect what has happened to productivity in the textile industry.

In a CRS report for Congress dated August 24, 1999, the point is made on page CRS-3 that:

Labor productivity growth in the textiles industry has actually outstripped [I think that is important] that of the economy as a whole, increasing at 2.8% per year from 1970 to 1996, compared with 1.2% per year for the aggregate economy.

In other words, the economy as a whole, its productivity, has been growing at the rate of 1.2 percent per year, whereas the textile industry, in contrast, has been growing as rapidly as 2.8 percent.

Textile productivity growth was fast even compared to the rest of the manufacturing sector.

The figures are given that it grew at 2.8 percent versus 2.3 for the rest of the manufacturing sector and has maintained the high growth of labor productivity even in the 1990s. Again, it is 4 percent versus 3.5 percent.

Much of the increase in the textile industry productivity was due to capital deepening that occurred beginning in the 1970s. Over this decade, capital expenditures by textile producers outstripped their profit with almost \$3 billion invested annually in new plants and equipment.

The same publication points out that exports have grown 12.1 percent in the textile sector from 1989 to 1996 but has

shrunk very slightly, 1.2 percent, since 1997 due primarily to lingering effects of foreign currency devaluations that have been induced by the Asian crisis.

I urge anyone who has an opening statement or comment on the legislation to come down to the floor as soon as possible while there is an opportunity to speak on this matter.

I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. ROTH. Mr. President, I want the record to be clear that this Government has been of help to the apparel and textile industry, as well as others, including agriculture and aerospace. The claim was made that the A&T sector has not benefited, but that is not correct. Let me give one example.

The question of the R&E tax credit—a most important credit in that it encourages research by various industries and I think helps keep us on the cutting edge of technology—I point out this is a matter, as a matter of fact, being discussed and debated in the Finance Committee and the Ways and Means Committee on the other side as part of extenders.

The point I want to make is the R&E tax credit is of great benefit to the textile and apparel industry. As a matter of fact, the CRS report for Congress of August 24, 1999, states that the R&E tax credit may be even more important to the A&T sector. This is probably because more technology-intensive industries consider R&D spending a fixed cost of their sector activity that must be undertaken to maintain competitiveness regardless of public policy. While in the A&T sector, the amount of R&D engaged in is variable depending on the expense. It concludes, for these reasons, this credit is probably of more benefit to this industry than many others.

I conclude by saying that as Congress has recently displayed a preference in favor of tax credits over direct funding for R&D, the future of the R&D tax credit may be determined, to a large degree, by the rate of continued technical progress in the A&T sector.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. FRIST). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. 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. WELLSTONE. I thank the Chair.

Mr. President, I start out by saying this debate over S. 1387 and S. 1389 is

probably a debate we should not be having now. I think the Senate has far more important issues to deal with—having to do with the minimum wage and the standards for working people, having to do with giving consumers more protection through HMO or managed care reform, having to do with campaign finance reform and the ways in which money has subverted our representative democracy. And, believe me, if, in fact, cloture is invoked and we go forward with this bill, I will argue the farm crisis. I will have an amendment to this bill that will call for a moratorium on these acquisitions and mergers taking place that are driving our producers off the land.

These are the issues people care about in our country. My question is, When are we really going to be debating these issues on the floor? I think that is what we should be doing.

Having said that, however, I think the debate over CBI and African trade bills could be useful and enlightening because I think we have a choice between two very different models.

Senator FEINGOLD has introduced a very impressive and innovative bill. It is based on legislation introduced in the House by JESSE JACKSON, Jr., which really blazes a trail for U.S. trade policy. It is truly groundbreaking. And for those people who want our trade policy to work for working families, this is the direction in which we should go.

I do not think we are going to have a debate between people who are saying we ought to build a wall on our borders and we should not be involved in trade. For me, that is not the issue. The issue is not whether we expand trade; the issue is on whose terms we expand trade. What are the rules and who benefits from the rules?

The choice could not be clearer. The Feingold-Jackson legislation, called the HOPE for Africa Act, says that an expansion of trade should benefit working families and poor families in America and in Africa. Trade agreements should be about making the global economy work for working people in all countries. The HOPE for Africa bill says if we are really serious about raising labor and environmental standards across the globe, then we have to have enforceable protections built into our trade agreements. The HOPE for Africa bill says that we can't be serious about wanting to help African countries develop economically if we don't do anything about the crushing debt burden. The HOPE for Africa bill says the lives of Africans suffering from AIDs are far more important than the monopoly profits of foreign pharmaceutical companies. The HOPE for Africa bill has its priorities straight. It expands trade the right way by putting people first.

Our other option is the same old more of the same, more NAFTAs, NAFTA for the Caribbean, NAFTA for all of South America, NAFTA for Africa, more IMF-style economic policies

that have impoverished one country after another all over the world, more investment protections for multinationals to export jobs overseas so they can avoid complying with American-style labor and environmental standards.

I think we should have learned our lesson from NAFTA. We have gained jobs; we have lost jobs, but that is almost beside the point. The kind of labor, environmental side agreements we put into effect were an afterthought. They were not part of the trade agreement. They weren't enforceable. Basically, if we are going to do these trade agreements, we ought to be talking about uplifting the living standards of working people, of low-income people, in our country and other countries.

What we have right now, without clearly enforceable standards dealing with the basic right to organize and bargain collectively, to earn a decent living in other countries, much less in our own country, is a trade agreement that says to working people: Look, these multinationals can go to other countries. They don't have to comply with fair labor standards, including the right of people to be able to organize and bargain collectively. They can pay low wages, miserably low wages, with exploitive working conditions, and then export those products back to our country, undercutting working people who are trying to produce and basically eliminating our jobs. It is lose-lose. That is why the Feingold-Jackson bill is such a clear alternative.

If we pass these bills without any kind of meaningful and enforceable protection for the interests of working families, we will have made a big mistake. That is part of what is going to be happening in Seattle. You will see at this WTO meeting all sorts of NGOs, nongovernment organizations, all sorts of environmental organizations. Being a Senator from Minnesota, a lot of farm organizations and farmers are going to be there. A lot of labor people are going to be there; a lot of working people are going to be there. They are going to basically say that is exactly what is at issue here—when we look at S. 1387 and 1389, the African Growth and Opportunity Act and the U.S. Caribbean Basin Trade Enhancement Act. We are for trade; we are for being in an international economy, but we are not for the kind of trade agreements that drive our wages down and basically eliminate our jobs and don't provide protection for people in other countries.

If we are going to have trade agreements, we are for them, but not unless you have clearly enforceable standards dealing with environmental protection and dealing with the right of people to organize and bargain collectively. If you don't do that, then we know all too well what these kinds of agreements

mean for working families in Minnesota and our country, much less for the people of the Caribbean and African countries.

When people come out to this WTO meeting, they are going to say what WTO should be all about is the rules of trade, not trade without rules. We want to talk about the rules of trade. We don't want to support an agreement which is trade without rules. We want enforceable protection when it comes to the basic right of people to organize in these other countries and we want some enforceable environmental standards as well.

As we move forward in this debate, we do have a piece of legislation that does look to other nations, that is all about trade, that is all about our role in the international economy. The difference is that the Feingold-Jackson legislation is a trade bill that will lead to uplifting the standards of working families.

I want to signify to my friend and colleague from Delaware, whose work I respect, that we will have debate about whether or not this bill should be on the floor. If it is on the floor, one piece of good news for me, though I am in disagreement with the legislation, is it will give me the opportunity to bring an amendment to the floor that deals with the farm crisis, that says we should have a moratorium on these acquisitions and mergers by these big packers and big grain companies that are basically driving producers out. I hope there will be another amendment to take the cap off the loan rate to deal with the price crisis.

I am determined that if we go forward with this legislation, I will be out of the box with those amendments as soon as possible next week. I have been waiting for 4 weeks now to come to the Senate floor with legislation that will alleviate the pain—or some of it—of family farmers in our States. I thank both of my colleagues for their patience.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota, Mr. GRAMS, is recognized.

Mr. GRAMS. Mr. President, I rise in strong support of the trade package before us today which would expand trade opportunities with sub-Saharan Africa, offer enhanced tariff treatment to Caribbean Basin Initiative (CBI) nations, extend the Generalized System of Preferences (GSP) program for 5 years and extend the Trade Adjustment Assistance program.

The CBI language will expand benefits to CBI nations, yet continue to protect import-sensitive industries in the United States. It will for the first time link benefits to improvements in areas such as intellectual property rights, investment, market access, government procurement and other issues which will not only help CBI nations

develop but create an improved market for U.S. companies in the future. U.S. exports have tripled to the region since the Caribbean Basin Economic Recovery Act was passed in 1984. They have soared the first 6 months of this year, and this legislation will further that progress.

The CBI benefits will serve as the next step in helping this region become part of the Free Trade Area of the Americas.

The Generalized System of Preferences program aiding the least developed countries expired in July of this year. Most of us have many small importers in our States who have depended on this lower tariff treatment to compete with larger retailers. I know there are many in Minnesota who are now paying enormous tariffs—at the risk of staying in business—and need the program extended for 5 years. Extending the program year by year, often retroactively, and usually with no certainty is no way to treat these small businesses or these countries. The GSP program has been improved over the years, and graduations of countries and products have ensured it helps only those who need assistance get the help.

The African Growth and Opportunity Act is the most controversial, but crucial, part of this package. I have continually supported this effort and am disappointed it has taken so long to consider the measure on the floor. What really is very modest assistance to one of the poorest regions of the world, sub-Saharan Africa, has been battered from all sides—and it is the needy people of those countries who will suffer the most if we do not pass this legislation.

Much of the opposition is from the textile and apparel industry, and I am sensitive to the concern that has come from textile companies in my own State of Minnesota. I believe the Senate bill has addressed this industry's concerns in a very responsible manner. The bill requires the use of U.S. textiles and includes tough transshipment language—far tougher than that of current law. The Customs Service has reassured us that Africa is not a transshipment problem. Africa supplies 1 percent of our textile imports and has little ability to flood our market with additional imports. I believe most new apparel investments in Africa will just replace many in Asia rather than expanding overall textile/apparel imports.

Some in the Congress believe this legislation should focus more on debt relief. However, we are involved in multilateral efforts to provide this relief and have made commitments unilaterally as well. I support these separate efforts. This is not the vehicle to expand our debt relief efforts. The focus of this legislation is to foster economic growth through incentives, to

create a high-level dialogue between U.S. and African leaders on economic issues, to start the process toward a U.S.-sub-Saharan free trade area—to help Africa develop and prosper through improved business relationships with our companies. We want these relationships to help Africa grow, to expand job opportunities, to become more market oriented as they reform economically and to become less dependent on foreign aid from other nations.

Some will say this bill is not worthy of support because it does not provide enough benefit for the United States. Fortunately we don't always pass legislation solely on what it can do for us immediately. We need to look ahead, which we don't do enough of here, but this legislation is a good example of how we should act. The more than 700 million people of sub-Saharan Africa represent an enormous market of the future for us. Right now my State of Minnesota is the 15th largest exporter to the region. We must continue to improve our export opportunities, but we can't do that if we don't allow sub-Saharan Africa the ability to export to us. If we are not there now helping them help themselves, developing the relationships needed to build friendship and trust, sub-Saharan Africans will not want to buy our products in the future. And we know how many other countries are there to step in if we are not there. Again, we can't expect to develop an export market there if we are not with them during the hard times when sub-Saharan Africans need us to give them a small edge to compete for exports into the United States. If Africa can't become strong and prosperous, it will not be able to buy our products in the future.

A strong and secure Africa will not only benefit trade, but will help us achieve our goals in areas such as drug trafficking, terrorism, human rights, and many others.

I also want to mention a statement I just read whereby AIDS activists oppose this legislation because they believe sub-Saharan African countries will spend more on business investment than on social services spending such as health care. I strongly disagree with this thinking. The Africa Growth and Opportunity Act will help countries grow and prosper. It will enable these governments, and their people to spend more on their health care needs, including the need to fight the devastation of AIDS.

Mr. President, this bill is a good one. It complements what we are doing in so many other ways to help sub-Saharan Africa. The entire package is one we should enthusiastically support. I urge my colleagues to vote for this trade package without damaging amendments.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. I ask unanimous consent that I be allowed to speak as in morning business for 15 minutes.

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

THE PANAMA CANAL

Mr. SESSIONS. Mr. President, along with Senators LOTT, THURMOND, HELMS, KYL, INHOFE, ALLARD, and TIM HUTCHINSON, I have introduced a concurrent resolution, with the House, regarding the transition of control of the Panama Canal from the United States to the Republic of Panama. I thank my colleague, the chairman of the Foreign Relations Committee, Senator HELMS, for agreeing to discharge the resolution quickly to give Congress a chance to consider it in a timely manner.

I hope we can bring this resolution before the Senate, debate it, and vote up or down on the merits. Indeed, the Senate must be heard on this issue, which is important to our national security.

In accordance with the 1977 Panama Canal Treaty, the withdrawal of the United States Armed Forces from Panama is almost complete, and with it will be the relinquishment of our control of the canal, which will take place December 31 of this year.

The canal is of vital interest, however, to the United States, and it is an invaluable world asset. Unfortunately, Panama's ability to maintain and provide adequate security for the canal is lacking. Exacerbating this tenuous situation is the growing influence of the People's Republic of China in the region.

Almost as soon as we started our pullout, a company called Hutchison-Whampoa, closely associated with the People's Republic of China, began to establish its presence and to fill the void left by the United States in Panama. Hutchison-Whampoa, Limited, holds leases for two port facilities at either end of the canal. Documented evidence shows that Hutchison-Whampoa, Limited, is closely tied to the Chinese Government.

The fears voiced by the American people when the United States negotiated this treaty in 1977 have been validated. The American people were right to be skeptical of Panama's ability to adequately maintain the operability of the canal and guarantee its independence and security. These fears were supposedly addressed in the Panama Canal Treaty's companion, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, which promises that the canal will remain open during times of peace and war. It also guarantees "expeditious transit" to the United States through the canal in times of conflict, generally interpreted to mean that, in an emergency, U.S. warships would be sent to the head of the line. Still not

satisfied with these provisions, the Senate, under Senator DECONCINI's reservation, insisted on the right of the United States to intervene militarily, if necessary, if it appeared the canal was about to be closed or threatened. Apparently, Panamanian President Torrijos did not agree and offered his own counter-counterreservation, nullifying DECONCINI. Inexplicably, this counterreservation, which Panama ratified, was never transmitted to the Senate for consideration.

Consequently, in 1996, the Panama Government awarded control of two key port facilities through a questionable bid process to Hutchison-Whampoa. Under the so-called Law No. 5, passed by the Panamanian National Assembly, it appears Hutchison-Whampoa has the authority to block or delay passage of ships through the canal to meet its business needs. This Chinese company could simply declare that passage of U.S. warships could be harmful to their business and we would have a serious problem in moving ships through the Panama Canal.

I have heard from many of my constituents on this issue. Some believe China will attempt to base bombers and missiles there. The Department of Defense has asserted this scenario is unlikely. However, recent antagonistic statements by China, such as thinly veiled threats concerning Taiwan and declarations possessing the neutron bomb, are reasons for people to be concerned.

There are two legitimate security concerns related to regional spying, narcotrafficking, illegal immigration, and the creation of bureaucratic obstacles which over the long term could impede the flow of traffic through the canal. Such actions could have a significant impact on American trade.

The Panama Canal sees the transit of nearly one-third of the world's shipping each year, including 15 percent of all imports and exports of the United States, 40 percent of U.S. grain exports, and in the vicinity of 700,000 barrels of oil every day. Though prohibited by treaty, Hutchison-Whampoa, perhaps at Chinese's behest or with their influence, could impede commercial military traffic.

We hope this will not occur. There is no immediate indications that it will occur. But stopping the flow of these exports is a possible consequence of the leases that have been executed, and they could have significant devastating impacts on free trade, particularly for the United States.

The resolution I introduced was intended to address the issue of the Panama Canal security to raise the concerns of the Congress to the President, before some action is taken that could in the long term damage or threaten our security.

Panama has recently elected a new government. By reputation, President

Moscoso is a woman of the highest personal character and possesses an astute political intellect. I am confident of her ability to lead Panama into the 21st century and to positively contribute to the security and economic growth of the Western Hemisphere. I believe there is probably no better time than while this new administration is in its infancy to engage Panama in discussions to address the concerns I have described.

As this resolution calls for, the United States should request that the Moscoso government investigate the charges of corruption or improprieties related to the granting of the Panama Canal contract to operate the ports by the previous administration.

Prior to the awarding of these leases, several consortiums—some of which included U.S. bids—had submitted bids to operate the ports that were better than offers made by Hutchison-Whampoa. Without warning, Panama twice closed and reopened the bidding process, changing the rules and accepting higher bids after the bidding was supposed to have been closed. At one point, it is said that Panama asked a U.S. company to rescind its bid, citing a potential monopoly of firms in Panama. The sudden rules changes and unusual requests, at the very least, raised suspicions. Our Ambassador to Panama vigorously protested this bidding procedure and fought hard against it. The matter is even more troubling because the contracts have, by the passage of laws in Panama, extended them to the length of 25 to 50 years. It is called Law No. 5 in Panama.

Therefore, this resolution also requests that if President Moscoso, along with her government, finds illegal or improper dealing in this bidding process, they take steps to ensure a new process be undertaken; that it be transparent and fair to all parties.

The final provision of this resolution addresses the security issues. The canal, its mechanism of locks and dams, is fragile at best. By their own admission, Panama doesn't have the necessary resources to protect it. It disbanded its military after the U.S. invasion in 1989 to oust the Noriega regime. Now, as the United States has withdrawn its military forces—there are only a few hundred troops remaining today—drug trafficking through Panama has begun to increase. Panama's national police force is ill equipped by all admissions and is not prepared to counter this threat.

The Colombian civil war is spilling over Panama's eastern border and the threat of terrorism is growing daily. Russia and other organized crime groups are developing bases in the isthmus. Further, China's newfound foothold in the Americas has affected the flood of illegal immigrants who are coming in, using Panama as the staging area for their journey to the United States.

As a U.S. attorney, around 1990 I prosecuted a major international alien smuggling case involving a planeload of Chinese citizens who were brought to Panama and then secreted into the United States. They were able to be stopped, arrested, and people were prosecuted for it. Even at that time, China was using Panama as a conduit to bring illegal aliens into the United States. There is evidence that there is a Chinese role in this smuggling.

Our resolution calls for the negotiation of security arrangements to protect the canal and Panama on a mutual basis, respecting the sovereignty of each nation to protect Panama and the canal from any outside forces that might undermine it and undermine the free trade on which we have come to depend that goes through the canal.

The United States must not abrogate its leadership responsibilities when we relinquish control of the canal. We must emphasize to Panama our legitimate interest that sound security standards be maintained, and we must work with Panama to fight corruption, illegal drug activity, gun running, and illegal immigration rings. The United States must also send a clear message to China, or any other entity with designs on the canal, that we will guarantee the security and neutrality of the canal through all necessary force.

China's influence in Latin America has been expanded. We certainly don't want to see a resurgence of Communist activity in the Western Hemisphere at this time in history.

I see the majority leader is here. I thank him for his leadership and interest in so many areas, particularly in this matter.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I say to my colleague from New York, I will be brief. I have a cloture motion to file.

But I do also want to comment just briefly on the remarks of the Senator from Alabama. I thank him for his remarks. He is raising very important concerns—ones that I have discussed with the Chairman of the Armed Services Committee, and I have written to the Secretary of Defense expressing my concerns. As a result of the correspondence with the Secretary of Defense, and our worry about the Chinese involvement in the Panama Canal through a particular company having control of port facilities on both ends of the Panama Canal, our concern is about what is their relationship with the Chinese Government as well as other concerns as we move toward turning over the Panama Canal on December 31.

Narcoterrorism is of concern in the area, as well as corruption in the government. We do, at this very moment, have a hearing underway in the Senate Armed Services Committee. We have had Members of Congress testify about their concerns. We have a panel now

that includes General Wilhelm, who has jurisdiction for our military over that region; Ambassador Gutierrez from the State Department, answering questions; as well as the Honorable Aleman Zubieta who is Deputy Administrator, I believe, of the Commission. That testimony is underway right now. Secretary Weinberger is there. I know they are looking forward to Senator SESSIONS returning to ask questions.

There may be no problem here, although there is clearly a problem with narco-terrorism and corruption in the government. But I think we have an absolute responsibility to ask questions and get into the law about how this is going to work.

There is a provision in Law No. 5, as it is described in Panama, that raises some questions about how U.S. military vessels would have access to the Panama Canal after December 31. To the extent they say they would have right of passage provided it didn't interfere with the operations of the Panama Canal, we need to make sure we know what is happening there. We are going to carry out our responsibilities in that effort. I thank Senator SESSIONS for his work in that also.

AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

Mr. LOTT. I thank the chairman of the Finance Committee and ranking member for being here and being willing to proceed on this important legislation. I do think we have an opportunity with this CBI and African free trade legislation to be able to have better relations and trade with Central America, with the Caribbean, and with Africa. I believe it will be in the interests of all countries concerned. It is the right attitude.

There are a lot of terms being thrown around in recent weeks about isolationism. This is clearly a case where, by trading with countries in Central America, the Caribbean and Africa, we can open up not only trade but relationships and opportunities for peoples in all the countries involved, including the United States. So I am glad we have proceeded to this legislation.

The Senate has been debating the motion to proceed because there had been objection to going to the bill itself. That is as a result of the objection to its immediate consideration by Senator HOLLINGS. I wanted to see if maybe we could go ahead, get started, have some debate and amendments and then not have to debate the motion to proceed and then debate the bill itself, but it looks as if we are not able to at this time proceed in that way. Since there has been objection and this is an important trade bill, one with major implications, one I discussed with the President three times this week alone, about his interest and concern and support of this legislation, I think it is important we file cloture and try to find

a way to stop a threatened filibuster and move to the substance of the bill.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 215, H.R. 434, an act to authorize a new trade and investment policy for sub-Saharan Africa:

Trent Lott, Bill Roth, Mike DeWine, Rod Grams, Mitch McConnell, Judd Gregg, Larry E. Craig, Chuck Hagel, Charles Grassley, Pete Domenici, Don Nickles, Connie Mack, Paul Coverdell, Phil Gramm, R.F. Bennett, Richard G. Lugar.

Mr. LOTT. Mr. President, this cloture vote will occur on Tuesday, October 26. I will notify all Senators as to the exact time of the cloture vote. In the meantime, I now ask unanimous consent the mandatory quorum under rule XXII be waived.

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

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. I ask unanimous consent to speak for up to 15 minutes as in morning business.

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

THANKING THE MAJORITY LEADER

Mr. WYDEN. Mr. President, before he leaves the floor, I want to tell the majority leader I very much share his view about this threat of narcoterrorism, and also to express my appreciation to the majority leader for the work he is doing with several of us on this matter of secret holds, which are so relevant at the end of a session. We have made a lot of progress already with the work done by the majority leader and with Senator DASCHLE. The majority leader knows we are trying to work out some of the last kinds of questions. I want the majority leader to know I think we have already made a real difference in this area.

I express my support to him and look forward to wrapping up the last remaining issues. I think we all know, as we go into the last few days of the session, we can have 100 of these secret holds and Senators rushing about trying to figure out what is going on. Senator MOYNIHAN, in his landmark study on secrecy, has really made the case that secrecy is the most expensive kind of regulation we could have.

Before the majority leader leaves the floor, I want him to know I really ap-

preciate all the progress we have made in working with his staff, Mr. Wilkie doing yeomen work on this, and I look forward to wrapping it up.

Mr. LOTT. I thank the Senator.

HEALTH CARE POLICY

Mr. WYDEN. Mr. President, rare is it to have an opportunity to talk about health care policy when the chairman of the Health Care Subcommittee is on the floor with Mr. MOYNIHAN, a long time expert, and Dr. FRIST is in the chair. So you have three of the most influential people in the health care policy field before you.

I will not abuse this opportunity. But I wanted to take just a few minutes to talk about this prescription drug issue and its importance, in terms of coverage under Medicare. There is now one bipartisan bill before the Senate on this issue, and that is the legislation that Senator OLYMPIA SNOWE and I have proposed.

What I have said—this is the fifth time I have come to the floor in recent weeks—is I am actually going to, as this poster says, “Urge Senior Citizens To Send In Copies Of Their Prescription Drug Bills,” so we can show just how critical this issue is and come together on a bipartisan basis before the end of this session and get prescription drug coverage added to Medicare.

What Senator SNOWE and I have proposed, on a bipartisan basis, uses marketplace forces to hold down the cost of these prescriptions. We have an “ability to pay” feature in the program. That is something I have heard Senator MOYNIHAN and Dr. FRIST talk about. My sense is, it is critically important that we get this coverage, not just because senior citizens suffer so, but because this is the next breakthrough in preventive health care. The drugs we are seeing today help to lower blood pressure; they help to lower the cholesterol level.

I have heard Senator MOYNIHAN and Chairman ROTH talk, for example, about how costs are exploding in Medicare, particularly under Part A, the hospital portion of Medicare. It seems to me if we can come together on a bipartisan basis and address this prescription drug issue, a lot of these new drugs, these preventive drugs, will help us save money and hold down some of the costs in Part A of Medicare, the hospital and institutional portion of the program.

The Wall Street Journal pointed out yesterday, again, how staggering some of these costs are and how we might prevent them with thoughtful policy work in the health care area. For example, yesterday in the Wall Street Journal they noted that one-third of all stroke survivors are permanently disabled. But doctors can now prescribe anticoagulants to protect the high-risk patients from stroke. The Journal goes on to say:

The lifetime cost of a severe stroke is \$100,000, while treatment with anticoagulants costs \$1,095. This is a chance to get good coverage for vulnerable people in our country and save taxpayers’ money at the same time.

I am just very hopeful; Senator ROTH’s staff and Senator MOYNIHAN’s staff have spent a lot of time with us already. Senator SNOWE and I want to do this in a bipartisan way. We want to act in this session of Congress, not put it off until after yet another round of electioneering and more slugging back and forth between Democrats and Republicans. I am hopeful seniors, by sending in copies of their prescription drug bills, as Senator SNOWE and I advocate, will help us come together in a bipartisan way.

In wrapping up, as I have indicated to the Senate before, I am going to bring to the floor each time I come three cases of what I am hearing from seniors at home in Oregon, to dramatize how important it is we act on this matter.

I just heard yesterday from a 75-year-old widow from Salem, OR. She wrote me that her income is \$8,218 a year; her prescription drug bill is \$2,289.

She spent that on three drugs—Fosamax, Relafen, and Paxil. Three drugs, \$2,289 from her \$8,118 income. That is an elderly woman in Salem.

A woman in Portland wrote me:

My mother is 97 years old and will soon be required to file for Medicaid because the ever-increasing cost of her care and medications have depleted her savings. Currently, her expenses exceed income by over \$1,000 per month. In some months, her medication costs over \$300. Last year, her prescription drug bill was \$2,746.

As we saw in a recent study, more than 20 percent of the Nation’s elderly are spending over \$1,000 a year out of pocket on their prescription medicines. This story was not at all something we found to be rare or out of the ordinary.

Finally, the third case I want to mention this morning comes from a woman in Seaside, OR. She has an income of just over \$1,000 a month. She wrote me yesterday:

I am supposed to take 20 milligrams of Lipitor, but I do not have enough money to buy it.

These are the kinds of cases I know we are going to hear when seniors send in copies of their prescription drug bills. The question is, Can we come together in a bipartisan way to address this issue?

Senator SNOWE and I used the Federal Employee Health Benefits Plan as our model. There are other good ideas out there. Our bill is called SPICE, the Senior Prescription Insurance Coverage Equity Act. We are not saying this is the last word on how to address this issue, but I would like to see the Senate look at an approach that utilizes marketplace forces, along the lines of what we do in the Federal Employee Health Benefits Plan and one

that will not produce a lot of cost shifting on to other groups of vulnerable people.

For example, there is one proposal going around, certainly well-meaning, which has Medicare buying up all the drugs for the Nation's senior citizens. I am very fearful what will happen under that approach is we may control prices for the elderly, but you could have a divorced woman, a 27-year-old, say, African American woman in my State or the Presiding Officer's State. She could see her drug bill go through the roof because prices would be controlled in just one segment of the pharmaceutical area, the Medicare area, and the costs would be shifted on to somebody else's back.

I know the Senate has a lot of important business. By the way, I am with Senator MOYNIHAN and Chairman ROTH on this great bill as well. I know they want to go on to that important matter. I intend to keep coming to the floor. Senator SNOWE had to be in Maine today and could not be here. We have already done this together. We urge seniors to send in copies of their prescription drug bills.

We hope they will back the bipartisan Snowe-Wyden bill. Frankly, I would rather hear from them so as to bring this Senate together in a bipartisan way and deal with this issue. Let's not let it become fodder for the 2000 election. Let's make this issue a legacy of this Congress where we really came together to do something important, something that is the wave of the future in American health care, which is to give good preventive approaches, wellness-oriented approaches as part of our American health system.

I thank Chairman ROTH and Senator MOYNIHAN and my friend, Senator AKAKA, for indulging me this morning. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, before the Senator from Oregon leaves, I express my own personal gratitude to him and to Senator SNOWE for bringing this issue in the congenial, collegial way they do. It must be addressed. I feel presumptuous to speak on such matters in the presence of the Presiding Officer, the Senator from Tennessee, but since the advent of sulfa and penicillin, the great medical revolution has been the development of the array of prescription drugs that prevent disease as against cured, in the case of penicillin. We will one day go this way, and we will have Senator WYDEN and Senator SNOWE to thank and the Senator from Tennessee.

The PRESIDING OFFICER (Mr. ROBERTS). The distinguished Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, I ask unanimous consent to speak as in morning business for 15 minutes.

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

Mr. AKAKA. Thank you, Mr. President.

SLAVERY IN AN AMERICAN TERRITORY

Mr. AKAKA. Mr. President, I rise to call attention to a recent announcement by Bill Lann Lee, Acting Assistant Attorney General for Civil Rights. The Justice Department announced the conviction of three individuals charged with luring women from China into slavery and forced prostitution in the Northern Mariana Islands. The three pled guilty in Federal district court in Saipan.

The defendants pled guilty to extortion, transportation for illegal sexual activity, and conspiracy to violate the right of women to be free from involuntary servitude. I ask unanimous consent that a copy of the Justice Department announcement be printed in the RECORD following my remarks.

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

(See Exhibit 1.)

Mr. AKAKA. Mr. President, regrettably, this is not the first incident of such behavior in the Northern Mariana Islands. As Bill Lann Lee said in announcing the pleas:

We have seen too many cases of modern-day slavery.

Nor is it the first incident of sexual slavery in the Northern Mariana Islands. Indeed, slavery and prostitution are endemic to the islands' economy.

According to the Department of the Interior's latest report on working conditions in the Commonwealth "many workers are virtually prisoners, confined to their barracks during non-working hours." There are documented reports of Chinese female workers becoming pregnant and who are pressured to have abortions.

The grave situation in the Northern Marianas is captured by the headlines in the Department of the Interior's report. Here are a few of them: "Local Control Over Immigration Has Led to an Unhealthy, Pervasive Reliance Upon Indentured Alien Workers, The CNMI Garment Industry Has Abused Current Trade Privileges to the Detriment of U.S. Workers," "U.S. Companies and U.S. Taxpayers."

Another one: "Worker Exploitation in the Form of Recruitment Fraud," "Payless Paydays & Coerced Abortions, Ineffective Border Control," and "Smuggling of Aliens and Increased Criminal Activity." This is not a pleasant picture, and it only gets worse. In another report earlier this year, an undercover investigative team sponsored by the Global Survival Network detailed the sex trade and slavery in these once idyllic Pacific islands.

According to their report, "Trapped: Human Trafficking for Forced Labor in The Commonwealth of The Northern Mariana Islands":

Many of the Chinese women working in clubs with local clientele, for example, said they had come to the CNMI ostensibly to work as waitresses, unaware that they would have to work in a nightclub and/or be forced into sexual slavery. These women had been trafficked into the CNMI specifically for sex work without their knowledge or consent.

Given this environment, is it any wonder three people have pled guilty to forcing women into slavery and prostitution?

No. The wonder is that more people have not been so found. Hopefully this will change. As the Department of Justice notes, this prosecution was the result of a new effort to increase resources and oversight in the Commonwealth.

Fortunately, some American clothing retailers are beginning to react to sweatshop conditions in the Northern Marianas. Just the other day, five major retailers—Ralph Lauren, Donna Karan, Phillips-Van Heusen, Bryland L.P., and The Dress Barn—agreed to settle a class-action lawsuit about this deplorable working environment. The settlement with these businesses follows a similar settlement agreed to last June with Nordstrom, J. Crew, Cutter & Buck, and Gymboree. Hopefully this marks a trend toward ending indentured servitude in the Commonwealth.

More needs to be done. The central cause of the slavery and prostitution on this American territory is the lack of any controls on immigration.

For my colleagues who may not be familiar with this U.S. territory, the Commonwealth of the Northern Mariana Islands is located 4,000 miles west of Hawaii. In 1975, the people of the CNMI voted for political union with the United States. Today the CNMI is a U.S. territory.

A 1976 covenant enacted by Congress gave U.S. citizenship to residents of the CNMI. However, the covenant exempted the Commonwealth from the Immigration and Nationality Act. As we now know, that omission was a grave error.

I want my colleagues of the Senate to know that the chairman of the Senate Energy Committee, Mr. MURKOWSKI, and I have introduced legislation to correct fundamental immigration problems in the Commonwealth, such as the ones that led to the convictions obtained by the Justice Department. It was only yesterday, that the Energy Committee approved our CNMI reform bill. I hope that the full Senate will act on our legislation soon.

Our bill stands for the simple proposition that America is one country and we must abide by a single, uniform immigration law. Congress must terminate an immigration system that is fundamentally wrong and incorporate the CNMI under Federal immigration law.

Common sense dictates that our country must have a single, national

immigration system. If Puerto Rico, or Hawaii, or Oregon, or Washington could write their own immigration laws—and grant work visas to foreigners—the U.S. immigration system would be in chaos. That is exactly what is happening in the CNMI.

Over the past 20 years, the number of citizens in the Commonwealth doubled. During the same period, however, the population of alien workers exploded by 2,000 percent. Today, the CNMI has twice as many indentured laborers as citizens in its work force.

A decade ago, in response to a growing concern about the large number of guest workers employed in the CNMI, the Reagan administration demanded change. Since then, the Bush and Clinton administrations have repeatedly criticized CNMI immigration and demanded reform.

The Commonwealth is simply unable to control its borders. One CNMI official testified that they have “no effective control” over immigration.

The INS reports that the CNMI has no reliable records of aliens entering the Commonwealth, how long they remain, and when, if ever, they depart.

A bipartisan commission labeled the Commonwealth’s immigration system “antithetical to American values.”

It is not just the number of workers that prompt concern; alien workers in the CNMI serve as indentured laborers. In a civilized society, indentured servitude, we believe, is immoral. The United States outlawed indenture over a century ago, but it continues today in the CNMI. The Commonwealth is becoming an international embarrassment for the United States. We have received complaints from the Philippines, Nepal, Sri Lanka, and Bangladesh about immigration abuses and mistreatment of workers. Countries around the world watch—and wait—for Congress to act.

The CNMI system of indentured immigrant labor violates basic democratic principles. It is time for Congress to enact CNMI immigration reform.

Mr. President, I yield back the remainder of my time and yield the floor.

EXHIBIT NO. 1

THREE PLEAD GUILTY TO FORCING WOMEN INTO SLAVERY AND PROSTITUTION IN NORTHERN MARIANA ISLANDS

WASHINGTON, D.C.—Three individuals who were indicted last November on charges that they lured women from China, held them in slavery and forced them into prostitution pled guilty today in federal district court in Saipan, Northern Mariana Islands, the Justice Department announced.

Soon Oh Kwon, president of Kwon Enterprises, Inc., which does business in Saipan, pled guilty to one count of conspiracy to violate rights, specifically the right to be free from involuntary servitude. Kwon’s wife, Ying Yu Meng pled guilty to one count of conspiracy to violate federal laws that prohibit involuntary servitude, extortion, and transportation for illegal sexual activity. Kwon’s son, Mo Young Kwon, who is an offi-

cer of Kwon Enterprises, also entered a guilty plea to one count of transportation for illegal sexual activity.

“Sadly, we have seen too many cases of modern day slavery,” said Bill Lann Lee, Acting Assistant Attorney General for Civil Rights. “Today’s guilty pleas, should put those who exploit workers on notice that the Justice Department will be relentless in bringing them to justice.”

The charges arose out of allegations that the three lured women from China to the CNMI and then held them in slavery and forced them to work as prostitutes in K’s Hideaway Karaoke, a bar owned by Kwon Enterprises. “This kind of abuse of guest workers is intolerable” said Frederick A. Black, U.S. Attorney for the District of the Northern Mariana Islands. “No matter where someone is from, once they come to the United States, they should be free from slavery.” As part of his guilty plea filed with the court, Soon Oh Kwon admitted that, in 1996 and 1997, Kwon Enterprises, in collaboration with Kwon’s mother-in-law, recruited and brought women from China to Saipan to work at the karaoke club, where they were forced to have sex with customers. The women were not allowed to stop working for Kwon Enterprises until they had paid debts owed to Kwon and his family for bringing them to Saipan. In order to discourage the women from leaving without permission, the women were subjected to mental and physical coercion, which included threats to their lives, and their families’ reputations in China. Soon Oh Kwon also admitted to brandishing a pistol at some of the women. Kwon and his wife also admitted that they threatened the women in order to prevent them from making complaints to the CNMI Department of Labor and Immigration.

Kwon’s wife admitted that she had general oversight responsibility for the women who were employed by Kwon Enterprises and made sure that they did not leave without permission by intimidating and instilling fear in them. Kwon’s son admitted that he made arrangements with customers of the karaoke club to have sex with the women, collected the money, and directed the women to leave with the customers in order to engage in illegal sexual activity.

Sentencing is set before Judge Alex R. Munson on January 11, 2000. Soon Oh Kwon is facing a maximum prison term of ten years; Ying Yu Meng, a maximum prison term of five years; and Mo Young Kwon, a maximum prison term of ten years.

The prosecution was the result of a cooperative investigation by the Federal Bureau of Investigation as part of the Clinton Administration’s CNMI Initiative on Labor, Immigration and Law Enforcement, a broad based multi-agency initiative designed to increase resources and oversight in the CNMI, a U.S. Commonwealth located in Micronesia.

RECOGNITION OF THE “WAKE UP. GET REAL.” PROGRAM

Mr. GORTON. Mr. President, earlier this week, I had the pleasure of visiting twice with students, educators, and parents from the Edmonds School District. During that visit, I heard more about a community effort that demonstrates the value of local ideas and local innovation. The program is titled, Wake Up. Get Real. and is the product of Edmonds-Woodway High School students who are taking leadership roles

in eliminating substance abuse and violence in their schools.

Some of those students are here this week in Washington, DC, and were able to join me on one of my regular radio shows where they shared their creative work with members of the media from across Washington State. While they are in town, I would like to take this opportunity to present them with one of my “Innovation in Education” Awards.

Wake Up. Get Real.’s strength lies in the grassroots, community-oriented nature of its effort, led by students, to reduce the violence and substance use that can tarnish a school’s learning environment. The program is young, as it was only created this past spring, at the behest of students concerned about the perception of unsafe schools and an increasingly negative public perception of teens.

Rather than accept such a situation, the students embarked on a crusade that upholds respect, dignity, and integrity while teaching their peers that there are a vast number of students who choose not to participate in substance abuse or in violent activity. Additionally, the students are teaching educators about what is causing problems in their school and helping them to eliminate alcohol and drug use and violence in their classrooms.

All told, Wake Up. Get Real. generates increased community awareness; provides intervention and prevention from dangerous behavior at all grade levels (K–12); promotes increased educator focus on health as a factor in student learning; provides education materials for adults and students; and offers efficient access to referral resources.

For a program with such young roots, one would expect that it would still be in its infant stages. Rather, Wake Up. Get Real. already touts widespread community support from the school district, local health care providers, area law enforcement, and even the Drug Enforcement Administration. Community support has been so strong that public service announcements are currently being run on various cable channels to heighten local awareness of this important campaign.

When I began my Innovation in Education award program, my goal was to highlight the importance of local control in education. I couldn’t ask for a better example than the students who lead Wake Up. Get Real. They have rallied the support of the community behind them and I commend them for their work in changing their schools for the better.

JACOB WETTERLING FOUNDATION

Mr. WELLSTONE. Mr. President, I rise today to recognize the 10th anniversary of the disappearance of one of Minnesota’s finest young men, Jacob Wetterling.

Jacob's abduction at gun point 10 years ago today from St. Joseph, Minnesota, has profoundly affected the lives of his family, but also the lives of the people of Minnesota and the entire United States. Jacob's family has endured a significant loss and has found the strength to help other families survive tragedy.

Patty and Jerry Wetterling have spent the last decade raising awareness and influencing public policy through the formation of the Jacob Wetterling Foundation. The foundation works on a national level to eradicate the abduction and exploitation of children by educating, raising awareness, and responding to the needs of victims' families.

The Jacob Wetterling Foundation has worked with over 1,500 families in the search for their missing children, they have presented workshops and seminars to thousands of people, and have shared their message of personal safety and abduction prevention to countless parents and children. Thanks to the Wetterling Foundation sex offenders are required to register in all 50 States and law enforcement agencies can notify neighborhoods when a likely-to-re-offend sex offender moves there.

The Jacob Wetterling Foundation and the family of Jacob are perhaps most widely known for their message of hope, Jacob's Hope. Today we take a moment to think about Jacob Wetterling and the thousands of missing and exploited children and we pray for their safe return. Minnesota has an unsung hero in Patty Wetterling and the Jacob Wetterling Foundation. Today we recognize, in great appreciation, the work they have done to save the lives of our children.

The Wetterlings have helped others in need while never giving up on Jacob's Hope. Today we salute this courageous family.

Mr. GRAMS. Mr. President, first, I want to associate my remarks to the Senator's comments dealing with the 10th anniversary of the disappearance of Jacob Wetterling.

Our support continues to go out to the family and also, as Senator WELLSTONE mentioned, to the Jacob Wetterling Foundation. Patty and Jerry Wetterling have worked tirelessly to aid in the search for missing children. As the Senator said, Jacob's Hope is all of our hope.

Again, I commend the Wetterlings for their efforts. Also, our sympathy and support continues to go out to the family in the disappearance of Jacob Wetterling 10 years ago.

CONGRATULATING NAPOLEON
"NAPPY" LACHANCE

Ms. COLLINS. Mr. President, I rise today to offer congratulations to one of Maine's most impressive athletes. At

the age of 95, Mr. Napoleon "Nappy" LaChance of Westbrook, ME, will be our State's oldest participant in the National Senior Olympics.

Mr. LaChance, who earned a gold medal in the fast walk competition in the last Maine Senior Olympics, will travel to Orlando, FL, tomorrow, October 23, to represent the State of Maine in that event.

Equally impressive, Mr. LaChance does not excel in just one sport. Not only did he win a gold medal for fast walking in the Maine Senior Olympics, but he also has won gold medals for golfing and bowling.

Mr. LaChance has achieved success in his career as well as in athletic competitions. In 1917, Mr. LaChance began working at Valee Pharmacy as a floor sweeper and errand boy. Through hard work and dedication, he became a registered pharmacist and managed the pharmacy until his retirement. For his dedication to his community's well-being, Mr. LaChance has been rewarded with the respect, affection, and admiration of his customers, neighbors, family, and friends.

Mr. LaChance's accomplishments are an inspiration to anyone who aspires to be the best they can be. Whether old or young, athlete or artist, social worker or science teacher, those who seek to be the best share the dedication and the determination exhibited for so long by Mr. LaChance. I extend to him my heartfelt congratulations and best wishes as he competes in the National Senior Olympics representing the great State of Maine. Regardless of the outcome of the race, I know Mr. LaChance will make Maine proud.

I thank the Chair. I yield the floor.

CRACKDOWN IN BELARUS

Mr. CAMPBELL. Mr. President, just a few weeks ago, many of my Senate colleagues met a young, dynamic parliamentarian from Belarus, Mr. Anatoly Lebedko, right here on the Senate floor. He impressed us with his dedication and commitment as he advocates for democracy and the rule of law in his home country currently being rule by a repressive regime.

You can imagine how shocked and concerned I was to receive a call from the State Department this week informing me Mr. Lebedko had been picked up by the authorities as part of the latest crackdown in Belarus. I am sure my colleagues who met Mr. Lebedko share my concern for his well-being and for the safety of all of those struggling for democracy and freedom of speech.

Eight years after the break-up of the Soviet Union, Belarus finds itself increasingly isolated from the rest of Europe as a direct consequence of the authoritarian policies pursued by its present government which have stifled that country's fledgling democracy and market economy.

The Helsinki Commission, which I co-chair, held a hearing a few months ago to assess democracy and human rights in Belarus. In July, a number of Commission members and I had the opportunity to hear Mr. Lebedko address the annual Parliamentary Assembly meeting of the Organization of Security and Cooperation in Europe (OSCE) in St. Petersburg, where he outlined developments in Belarus and the prospects for genuine political and economic reforms.

Clearly, the cycle of political and economic stagnation in Belarus will only come to an end through genuine dialogue based on human rights, democracy and the rule of law. The Helsinki Commission has called on Belarus to adopt meaningful political and economic reforms in keeping with that country's obligations as a participating State of the OSCE.

On September 3, the government and opposition in Belarus began consultations at the office of the OSCE Advisory and Monitoring Group in Minsk. These talks, long urged by the international community and the Helsinki Commission could represent an important step in beginning the process of reversing the bleak human rights and democratization picture in Belarus.

Until recently I had been encouraged by what appeared to be the start of a dialog between the Belarusian Government and opposition. However, there have been a number of disturbing developments, including continued harassment of opposition members, a renewed crackdown on the independent media in recent weeks, and now the detainment of Mr. Lebedko.

We recently wrote to Secretary of State Albright voicing concern about the situation in Belarus and called on the State Department to intensify its work in this area. This most recent development underscores our concerns.

I ask unanimous consent that copies of our letter to the Secretary of State, a letter we sent to the President of Belarus, along with recent news clips be printed in the RECORD.

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

COMMISSION ON SECURITY
AND COOPERATION IN EUROPE,
Washington, DC, October 15, 1999.
Hon. MADELEINE KORBEL ALBRIGHT,
Secretary of State, Department of State, Washington, DC.

DEAR MADAM SECRETARY: We are writing to voice our growing concern over violations of the principles of democracy, human rights, and the rule of law in Belarus under the authoritarian leadership of Aleksandr Lukashenka, who remains in power despite the expiration of his legal presidential mandate last July. The fledgling opposition in Belarus deserves both our moral and material support as they seek to overcome the legacy of Communism and authoritarianism and build a democratic society firmly rooted in the rule of law.

Many of us recently had an opportunity to meet with Anatoly Lebedko of the United

Civic Party of Belarus, a young political leader who, despite personal risk, continues to openly criticize the Lukashenka regime. His personal safety is of particular concern as he returns to Belarus following an intense crackdown against the opposition.

In recent weeks, Lukashenka has reportedly authorized a series of measures designed to further suppress Belarus' already beleaguered opposition. Border controls have apparently been tightened and officials in Minsk and other large cities have been instructed to ban public protests and demonstrations. The few remaining independent opposition newspapers, including *Navyiny* and *Kuryer*, have likewise come under increased pressure from the authorities.

Lukashenka's campaign of harassment and intimidation of the political opposition has intensified. Former Premier Mikhail Chigir, arrested in March on politically-motivated charges, remains imprisoned. A number of other former government officials and political opposition figures continue to be subjected to lengthy pre-trial detention on similar charges. In a particularly disturbing development, several prominent opposition leaders, including Viktor Gonchar, Tamara Vinnikova, and Yuri Zakharenka, have simply disappeared.

Madam Secretary, we urge you to intensify pressure on the Lukashenka regime for the immediate release of all political detainees in Belarus and a full accounting of those who have disappeared. We further urge you to ensure that adequate resources are made available on an urgent basis to support those programs aimed at strengthening independent media, human rights, civil society, independent trade unions and the democratic opposition in Belarus.

Sincerely,

CHRISTOPHER H. SMITH,
M.C.,
Chairman.

STENY H. HOYER, M.C.,
Ranking Member,
House.

WILLIAM V. ROTH, Jr.,
U.S.S.

BENJAMIN L. CARDIN, M.C.
ALCEE L. HASTINGS, M.C.
BEN NIGHTHORSE
CAMPBELL, U.S.S.,
Co-Chairman.

TRENT LOTT, U.S.S.

KAY BAILEY HUTCHISON,
U.S.S.

FRANK R. WOLF, M.C.
JESSE HELMS, U.S.S.

COMMISSION ON SECURITY
AND COOPERATION IN EUROPE,
Washington, DC, October 19, 1999.

His Excellency ALYAKSANDR LUKASHENKA,
President,
Republic of Belarus,
Minsk, Belarus.

DEAR PRESIDENT LUKASHENKA: We are writing to express our serious and growing concerns about recent developments in Belarus. Until recently, we were becoming more hopeful that meaningful dialogue between the Belarusian Government and opposition would take place. Within the last month, however, violations of the principles of human rights, democracy and rule of law have come to our attention that, frankly, lead us to question your government's seriousness in finding a solution to the problems of democracy in Belarus. We were disturbed to learn of the arrest earlier today of democratic opposition leader Anatoly Lebedko, for allegedly participating in "an unsanctioned march."

Our concerns include the following:

The continued imprisonment of former Prime Minister Mikhail Chygir, who was supposed to be released from investigative detention where he has been held for six months.

The disappearances of former Central Election Commission Chairman Viktor Gonchar, his colleague Yuri Krasovsky, former Interior Minister Yuri Zakharenka, and former National Bank Chair Tamara Vinnikova.

Increased attempts to stifle freedom of expression, including the annulling of registration certificates of nine periodicals, and especially the harassment of *Navyiny* through the use of high libel fees clearly designed to silence this independent newspaper.

The denial of registration of non-governmental organizations, including the Belarusian Independent Industrial Trade Union Association.

The police raid, without a search warrant, on the human rights organization *Viasna-96*, and confiscation of computers which stored data on human rights violations.

Criminal charges against opposition activist Mykola Statkevich and lawyer Oleg Volchek and continued interrogation of lawyer Vera Stremkovskaya.

The initial attack by riot police against peaceful protestors in last Sunday's Freedom March.

Your efforts to address these concerns would reduce the climate of suspicion and fear that currently exists and enhance confidence in the negotiation process which we believe is so vital to Belarus' development as a democratic country in which human rights and the rule of law are respected.

Sincerely,

CHRISTOPHER H. SMITH,
M.C.,
Chairman.

STENY H. HOYER, M.C.,
Ranking Member.

[From the Washington Post, Sept. 30, 1999]

BELARUS OPPOSITION PAPER TO CLOSE

MINSK, BELARUS.—A leading opposition newspaper in Belarus said it was shutting down following a court order to pay an exorbitant fine, to the minister of security over an article he said injured his reputation.

The *Navyiny* newspaper, which has come under frequent pressure from Belarus's authoritarian government, said in its last issue that "both the suit and the trial were a cover-up for a carefully planned campaign by the authorities seeking to close down our newspaper."

[From the Washington Post, Oct. 19, 1999]

BELARUSAN OFFICIALS BLAME WEST FOR RIOTS

MINSK, BELARUS.—Belarusian authorities accused the West of being behind street clashes between some 5,000 opposition demonstrators and police in which at least 92 people were arrested. But Dmitri Bondarenko of the opposition *Khartiya-97* movement said police started the fighting and another opposition member said authorities have long provoked violence by repression.

The fighting broke out Sunday in Minsk following an authorized rally by about 20,000 people. The demonstrators were protesting the disappearance of several leading opposition figures and President Alexander Lukashenka's drive to reunite Belarus, a former Soviet republic, with Russia.

FISCAL YEAR 2000 INTERIOR AND RELATED AGENCIES CONFERENCE REPORT

Mr. GORTON. Mr. President, I am pleased that the Senate has passed the conference report on the Interior and Related Agencies Appropriations Act for Fiscal Year 2000. The conference report represents a good faith effort to merge the spending priorities of the House, the Senate, and the administration, and to resolve the concerns voiced by the administration about various legislative provisions in the bill. I think the conference report is a solid, bipartisan bill that deserves the overwhelming support of the Senate and the signature of the President.

The bill totals roughly \$14.5 billion in discretionary budget authority, which is a significant increase from the levels contained in the House and Senate passed bills. Some of this increase is attributable to the House and Senate insisting upon funding for specific programs, and much of the increase is due to the efforts of the conferees to meet the spending priorities of the administration. While the bill before you represents an increase of about \$500 million over the fiscal year 1999 level, it is still \$500 million below the administration's request level.

In developing the fiscal year 2000 Interior bill, the top priority for both the House and Senate committees was to maintain the core operating programs of the land management agencies, the Bureau of Indian Affairs, the Indian Health Service, and the cultural agencies funded in this bill. Because Interior bill agencies are highly personnel-intensive, simply keeping pace with the cost of Federal pay raises requires an increase of more than \$300 million over the fiscal year 1999 level. This leaves little room from programmatic increases and new initiatives.

The conference report before you, however, does contain significant increases for targeted, high-priority programs. The bill provides roughly \$28 million to increase the base operating budgets of more than 100 units of the National Park System, while also providing funds for a focused effort to enhance our limited understanding of the tremendous natural resources present within the Park System. The bill also includes an increase of \$25 million for the operation and maintenance of the National Fish and Wildlife Refuge System, and increases for critical grazing management, road maintenance, wildlife and fisheries management, and recreation programs within the Forest Service and the Bureau of Land Management.

For Indian programs, the bill provides the full administration request for the Office of the Special Trustee—the Secretary of the Interior's No. 1 priority within this bill. I fervently hope that these funds will enable the Secretary to clean up the Indian trust

fund management mess that has been allowed to accumulate over many years. The conference agreement also provides an increase of \$130 million for the Indian Health Service, and increases within the Bureau of Indian Affairs for law enforcement, school operations, school repairs, and school construction.

With regard to the cultural agencies in this bill, I am pleased that the conferees agreed to the Senate position with regard to the National Endowment for the Humanities, thereby providing a \$5 million increase. I was disappointed that the House would not agree to a similar increase proposed by the Senate for the National Endowment for the Arts, but anticipate we will try again next year. I also note that the bill includes \$19 million for the Smithsonian to complete the federal commitment to construction of the National Museum of the American Indian on The Mall, and \$20 million to continue renovations at the John F. Kennedy Center for the Performing Arts.

In addition to the programs I have mentioned, the conferees made a concerted effort to address some of the specific funding priorities voiced by the administration that were not included in either the House or Senate bill. The conference agreement includes \$30 million for the Save America's Treasures Program for historic preservation, a grant program of particular importance to the First Lady funded for the first time last year. The conference agreement also provides funding for Federal land acquisition at levels higher than in either the House or Senate bill, including \$40 million for the purchase of the Baca Ranch in New Mexico.

With regard to issues of policy, the conference agreement embodies a great number of compromises with both the House and the administration. The legislative provisions, or "riders" about which the administration has complained most vociferously have all been modified or scaled back significantly to address administration concerns.

The one year moratorium on oil valuation regulations contained in the Senate bill has been modified to provide a maximum of a 180-day delay while the Comptroller General reviews several aspects of the proposed regulations.

The provision in the Senate bill regarding millsites—which would have permanently refuted the Solicitor's opinion on this issue—has been limited to a 2-year provision that prohibits application of the new Solicitor's opinion to existing plans of operations, plans of operations filed prior to May 21, 1999, and patent applications that have been grandfathered under the terms of the Interior bill since fiscal year 1995. This provides some degree of fair treatment to those who have invested millions of dollars in the permitting process, only

to find that the ground rules have been radically changed by the actions of a single bureaucrat.

With regard to grazing, the conference agreement includes a 1-year provision that is substantially similar to the provision signed into law as part of last year's bill. This provides for renewal of expired grazing permits pending completion of environmental review, but maintains completely the Secretary's right to renew, alter, or reject a renewal application upon completion of such review. The Senate bill included a permanent provision that was opposed by the administration.

The conference report embodies many more compromises such as those I have just described. I want to thank Chairman REGULA, his staff and the House conferees for their willingness to work through these many complex and difficult issues. I have thoroughly enjoyed my relationship with Chairman REGULA since becoming chairman myself, and admire his commitment to supporting, overseeing and, when needed, critiquing the important programs and agencies funded in this bill.

Finally Mr. President, I note that there are three corrections that need to be made to the conference report. The number for the Historic Preservation Fund in the National Part Service should be \$75,212,000, the number for Forest Service land acquisition should be \$79,575,000, and in section 310, "1999" should read "2000." Mr. REGULA and I will take the necessary steps to ensure that these corrections are made.

Again, I urge my colleagues to support the conference report. It is a good bill that deserves our vote, and deserves the signature of the President.

MMS ROYALTY VALUATION

Mrs. HUTCHISON. Mr. President, I rise to engage my colleagues, Senators NICKLES, DOMENICI, MURKOWSKI, and BREAUX in a discussion of the important issue of Federal oil royalty valuation.

Yesterday the House and Senate both passed the fiscal year 2000 Interior appropriations conference report. Contained within that bill is a provision addressing proposed new rules of the Minerals Management Service on establishing the value of oil from Federal leases to determine the royalty owed on that oil.

On September 23 of this year 60 Senators voted to break a Senate filibuster and vote on the Hutchison-Domenici amendment to prevent the MMS from going forward with its misguided and unworkable new valuation system. Our amendment passed, and it passed because a bipartisan majority of the U.S. Senate recognized that blocking the rule was the right thing to do. It was the right thing to do because it protected the American consumer, who is increasingly at the whim of foreign oil markets as America's oil production dwindles. And it was the right thing to

do for the American taxpayer, who entrusts the Congress, not unelected bureaucrats, with the decision of whether or not to raise taxes in this country.

But despite our victory on the floor, it became apparent during the conference negotiations between the Senate and the House, that this provision in the Interior appropriations bill may be used by the President as an excuse to veto the entire bill. Because there are so many important programs funded in this bill, from national parks to energy conservation programs, I, Senator DOMENICI, and the other sponsors of this amendment, offered a compromise, which is reflected in the bill, and I wonder if my distinguished colleague from New Mexico, who has been my partner on this issue for two years, could explain that compromise?

Mr. DOMENICI. I would be happy to explain the provision, and I thank the Senator for her leadership and diligence in joining with me to fight this clear example of regulatory abuse by a Federal agency. As the Senator knows, Federal law requires that the value of oil from Federal land be determined when it is drawn from the ground, or "at the lease." After decades of following the law and using this method of determining oil value, in 1997 the MMS tried to implement a new system without congressional approval and one not supported by statutory law. The proposal would peg the royalty price of the oil "downstream," that is, after value has been added to it through transportation, processing, and marketing. It was the equivalent of the Federal Government saying that, rather than determine the value of Federal land timber when it is chopped-down, the Federal Government would tax the value of the timber once it was turned into furniture. We fought that plan, and will continue to fight it, as long as the MMS continues to ignore the mandate of the law and of the Congress.

But, as the Senator from Texas indicated, we offered a compromise on this issue. Frankly, part of the problem in this debate, and one of the reasons it has been so polarized, is that there has never been a comprehensive, independent assessment of just how the MMS can establish the value of Federal royalty oil in a simpler, more workable way, while following the controlling Federal statutes. Everyone agrees that the process as it exists today is too complex, and too subjective. In fact, I and other Members of Congress have held extensive meetings and hearings on the issue to determine just how we can make the rule easier and more predictable to administer, while ensuring a fair return to the taxpayer for Federal royalty oil. This provision included in the conference report requires a General Accounting Office study. We have directed the GAO to carefully examine the key issues raised

by the proposed new rule and report back to Congress before any new royalty valuation rule can go into effect. But to ensure that this is not dragged out too long, we have directed that the GAO's report on the issue be submitted to Congress within 6 months. Finally, the provision requires that any new proposal by the MMS must comply fully with all applicable Federal laws, including those requiring the establishment of oil value at the lease, that is, at the wellhead.

Mrs. HUTCHISON. I thank the Senator for that explanation, and for his leadership and hard work on this issue. I think he will agree that while this provision is certainly less than we would have liked and is less than the moratorium passed by the Senate, and, I might add, passed by the Congress and signed into law by the President on no less than three previous occasions, it is a step in the right direction.

I would also like to get the comments of my colleague from Louisiana, Senator BREAUX, who has been a stalwart supporter of reasonable and workable royalty valuation rules on his assessment of this issue.

Mr. BREAUX. I thank the Senator, and I thank all of my colleagues who have worked with me on this important matter. I certainly agree with the comments of the Senators from Texas and New Mexico that the proposed MMS royalty valuation rule simply will not work. Regulations should reflect a fair, reliable, and accurate royalty valuation system.

The issue here is really very simple: How do you set the fair market value of crude oil extracted from Federal lands on which to base the royalty calculation? Oil companies do not determine how much they have to pay—we do. Congress set the royalty percentage in the Mineral Leasing Act, the Outer Continental Shelf Lands Act, and other Federal laws and these laws provide that the royalty percentage to the Federal Government is $\frac{1}{4}$ or $\frac{1}{8}$ of the total value of the oil.

This is a very complicated, ongoing rulemaking procedure to assess legitimate deductions and transportation costs in order to determine the fair market value of oil. But how do you determine the price of oil that is produced in the middle of the Gulf of Mexico? You can very easily determine the price of oil at the wellhead, if you sold the oil at the wellhead, some 200 miles offshore. However, the oil is transported hundreds of miles onshore where it is refined and then ultimately sold. The question then becomes: Who pays for the transportation of the oil from the middle of the gulf? It is the Federal Government's oil. Do the companies pay for the transportation or does the Federal Government? There is a huge disagreement on this very difficult and complicated issue.

We say to the Interior Department, in the Interior appropriations con-

ference report, that the rule is fundamentally flawed. It does not allow for the legitimate deductions in the costs of transportation that should be allowed. Therefore, do not go forward with this rule. Instead, we are giving Congress and the Interior Department time to come to an agreement on what is appropriate and I am pleased that we have been able to at least delay the rule until a suitable solution can be determined.

Mr. MURKOWSKI. I thank the Senator from Texas, as well as the Senators from New Mexico, Oklahoma, and Louisiana who have all been steadfast in their desire and commitment to ensuring a royalty valuation process that is fair to both the American taxpayer and to domestic producers. As was spelled out in the report accompanying this conference agreement, the GAO, at a minimum, must thoroughly examine and answer several central issues and answer several key questions. Among those questions the GAO must fully answer are:

1. Does the OCSLA and the MLLA require that a producer pay royalty on the value added by post-production downstream activities?

2. Does the Interior Department proposed rule allow royalty payors to obtain timely valuation methodology determinations on which they can rely similar to the practice of Internal Revenue Service letter rulings?

3. Does the proposed rule provide that the "gross proceeds" method utilized in valuation of arms-length transactions can not be later set aside for an alternative methodology (resulting in penalties and interest) simply because another entity was able to obtain a higher value for the sale of production in the open marketplace?

Mrs. HUTCHISON. I thank the Senator. I would also like to ask the distinguished assistant majority leader, Senator NICKLES, what, in his view, must be examined by the GAO in its study?

Mr. NICKLES. I thank the Senator. There are, indeed, other key questions that must be thoroughly reviewed and discussed by the GAO study. Specifically:

1. For non-arms length transactions; the GAO should study the use by the MMS of comparable sales as a measure of value of production at the lease, provided the lessee satisfies prescribed information and sales volume requirements. This study should not be limited to the Rocky Mountain region only, but studied for use in all areas.

2. The GAO must study the adoption of alternative ratemaking principles for DOI use in establishing the commercial rate for transportation when oil is sold downstream of the lease. GAO must also examine what adjustments are reasonable for location and quality of production and post-production activities when oil is sold downstream of the lease.

This seems to be the best way to arrive at a fair, accurate, and concise calculation of the fair market value of production at the lease.

I am confident that in this way producers and the Federal Government would be ensured a fair and workable royalty payment system.

Mr. DOMENICI. If the Senator will yield, I must say I agree with my colleagues, Senators HUTCHISON, MURKOWSKI, and NICKLES, who represent, along with myself, the key committees of jurisdiction over this issue. The GAO study that we have mandated must, at a minimum, provide a thorough examination of these issues, as detailed here and in the conference report.

Mrs. HUTCHISON. Mr. President, I thank my colleagues for their guidance and continuing interest in this regard. Finally, I believe my colleagues would agree that it would be useful if the MMS would repropose its oil valuation rule. It has been nearly 2 years since the agency put forward its last complete proposed rule. The DOI has received voluminous comments since that time, including detailed recommendations by industry at three public workshops on the rule earlier this year. It also re-opened the comment period for a month earlier this year. In trying to resolve this matter, it would be helpful if all the parties could understand the agency's current thinking on the contentious issues my colleagues have described. Reproposing the rule would be the best way to achieve that result and I strongly encourage the agency to do so.

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-5506. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled "Surface Transportation Board Reauthorization Act of 1999"; to the Committee on Commerce, Science, and Transportation.

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. LEAHY (for himself and Mr. HATCH):

S. 1769. A bill to continue reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes; to the Committee on the Judiciary.

By Mr. LOTT (for himself, Mr. HATCH, Mr. CRAIG, Mr. COVERDELL, Mr. MCCONNELL, Mr. GREGG, Mr. GORTON, Mr. FRIST, and Mr. ASHCROFT):

S. 1770. A bill to amend the Internal Revenue Code of 1986 to permanently extend the

research and development credit and to extend certain other expiring provisions for 30 months, and for other purposes; read the first time.

By Mr. ASHCROFT (for himself, Mr. HAGEL, Mr. BAUCUS, Mr. DODD, Mr. BROWNBACK, Mr. KERREY, Mr. ROBERTS, Mr. DORGAN, Mr. DASCHLE, Mr. ABRAHAM, Mr. ALLARD, Mr. BENNETT, Mr. BINGAMAN, Mr. BOND, Mr. BURNS, Mr. CONRAD, Mr. CRAIG, Mr. CRAPO, Mr. DURBIN, Mr. FITZGERALD, Mr. GORTON, Mr. GRAMS, Mr. HARKIN, Mr. HUTCHINSON, Mr. INHOPE, Mr. JEFFORDS, Mr. KERRY, Mr. LEAHY, Mrs. LINCOLN, Mr. CHAFEE, Mr. THOMAS, and Mr. WARNER):

S. 1771. A bill to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural medical sanction against a foreign country or foreign entity; read the first time.

By Mrs. MURRAY:

S. 1772. A bill to amend the Elementary and Secondary Education Act of 1965 to foster family and school partnerships for promoting children's educational achievement through strengthening family involvement and providing professional development to school staff, and to amend the Higher Education Act of 1965 to provide for parenting education programs; to the Committee on Health, Education, Labor, and Pensions.

S. 1773. A bill to amend the Elementary and Secondary Education Act of 1965 to increase student involvement, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, and Mr. HATCH):

S. 1769. A bill to continue reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes; to the Committee on the Judiciary.

CONTINUED REPORTING OF INTERCEPTED WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS ACT

Mr. LEAHY. Mr. President, I am pleased to introduce today a bill to continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. §2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because "as of December 21, 1999, the report will no longer be required pursuant to the Federal Reports Elimination and Sunset Act of 1995."

The AO has done an excellent job at preparing the wiretap reports. We need

to continue the AO's objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report. In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of Congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and should be continued. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools and we should avoid aggravating these sensitivities by changing the reporting agency.

The bill would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the bill would require the wiretap report to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plaintext of communications intercepted pursuant to such order.

Encryption technology is critical to protect sensitive computer and online information. Yet, the same technology poses challenges to law enforcement when it is exploited by criminals to hide evidence or the fruits of criminal activities. A report by the U.S. Working Group on Organized Crime titled, "Encryption and Evolving Technologies: Tools of Organized Crime and Terrorism," released in 1997, collected anecdotal case studies on the use of encryption in furtherance of criminal activities in order to estimate the future impact of encryption on law enforcement. The report noted the need for "an ongoing study of the effect of encryption and other information technologies on investigations, prosecutions, and intelligence operations. As part of this study, a database of case information from federal and local law enforcement and intelligence agencies should be established and maintained." Adding a requirement that reports be furnished on the number of occasions when encryption is encountered by law enforcement is a far more reliable basis than anecdotal evidence on which to

assess law enforcement needs and make sensible policy in this area.

The final section of this bill would codify the information that the Attorney General already provides on pen register and trap and trace device orders, and require further information on where such orders are issued and the types of facilities—telephone, computer, pager or other device—to which the order relates. Under the Electronic Communications Privacy Act ("ECPA") of 1986, P.L. 99-508, codified at 18 U.S.C. §3126, the Attorney General of the United States is required to report annually to the Congress on the number of pen register orders and orders for trap and trace devices applied for by law enforcement agencies of the Department of Justice. As the original sponsor of ECPA, I believed that adequate oversight of the surveillance activities of federal law enforcement could only be accomplished with reporting requirements such as the one included in this law.

The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and the bill we introduce today would direct the Attorney General to continue providing these specific categories of information. In addition, the bill would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique—information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse. I therefore urge prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

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. 1769

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 Reporting of Intercepted Wire, Oral, and Electronic Communications Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit the annual report described in section 2519(3) of title 18, United States Code, as of December 21, 1999.

SEC. 3. CONTINUED REPORTING REQUIREMENTS.

(a) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

"(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66)."

(b) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66) is amended—

(1) in paragraph (31), by striking "or" at the end;

(2) in paragraph (32), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(33) section 2519(3) of title 18, United States Code."

SEC. 4. ENCRYPTION REPORTING REQUIREMENTS.

Section 2519(1)(b) of title 18, United States Code, is amended by striking "and (iv)" and inserting "(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)".

SEC. 5. REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.

Section 3126 of title 18, United States Code, is amended by striking the period and inserting ", which report shall include information concerning—

"(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

"(2) the offense specified in the order or application, or extension of an order;

"(3) the number of investigations involved;

"(4) the number and nature of the facilities affected; and

"(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order."

By Mrs. MURRAY:

S. 1772. A bill to amend the Elementary and Secondary Education Act of 1965 to foster family and school partnerships for promoting children's educational achievement through strengthening family involvement and providing professional development to school staff, and to amend the Higher Education Act of 1965 to provide for parenting education programs; to the Committee on Health, Education, Labor, and Pensions.

FAMILY AND SCHOOL PARTNERSHIP ACT OF 1999

S. 1773. A bill to amend the Elementary and Secondary Education Act of 1965 to increase student involvement, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

YOUTH AND ADULT SCHOOL PARTNERSHIP ACT OF 1999

Mrs. MURRAY. Mr. President, we are rapidly coming to the end of the session. This Congress has a lot of unfinished business left in far too many areas: Patients' Bill of Rights, prescription drug, guns, juvenile justice, and education. Today I want to take a few minutes to talk about one of America's top priorities, education. Today I am going to be introducing, a little bit later, and describing several bills that will improve education in America. We are about to start our biggest debate on education in 5 years as we begin the work on the Elementary and Secondary Education Act.

If the past few weeks are any indication, I am very concerned that in this critical education debate our children are going to be the losers, and that would really be a shame. Education has long been a bipartisan issue, but somehow in this Congress partisanship has too often pushed progress aside.

Two weeks ago, I tried to help our schools continue a very successful initiative to hire more teachers so there would be fewer kids in each of our classrooms. Just 1 year ago, this initiative was announced as a bipartisan issue and leaders on both sides of the aisle claimed credit for this national effort to reduce class sizes in grades 1 through 3. But now, a year later, this amendment has been defeated on a party line vote.

Parents and teachers want real solutions. They want real investments. They want a real commitment to our schools. I believe we can do what is right for education in this Congress. When we listen to parents and educators and students, a vision for improving our schools based on their real needs is clear. I believe we must first establish the following principles: We need to ensure that all children have an equal opportunity to learn. We need to elevate the teaching profession through better pay and greater respect. We need to hold educators accountable for students' progress. And we need to invest more money in public education.

This plan is built on a partnership among Federal, State and local officials, working together to help all our students. It starts with making the school work for our students. That means making sure the school buildings are safe and secure and modern. That is why I am an original cosponsor of the School Modernization Act, so kids do not have to learn in crumbling schools or overcrowded classrooms.

It means making sure the teachers have the training and professional development they need to give our kids the best. That is why I am an original cosponsor of the Public Schools Education Excellence Act. A section of that act that I wrote called Teacher Technology Training will make sure all educators know the best ways to use technology to teach our children.

It means making sure education does not stop when the school bell rings. We need to give our kids safe and educational things to do when the school day is over and parents are still at work. And it means making sure there are, at most, 18 students in each classroom instead of 30. We know in smaller classes kids get the time and attention they need. That is why I wrote and I am going to continue to fight for the Class Size Reduction and Teacher Quality Act, to give schools the money they need to reduce our class sizes, particularly in the younger grades.

Everyone wants smaller classes. When you ask experts in education, they tell you that, based on their research, smaller classes make a big difference. When you ask teachers what makes the biggest difference, the answer is smaller classes. And when you ask parents, Do you want your child in a class of 30 or 18? the answer is clear; they want smaller classes. Smaller classes help kids learn the basics and improve classroom discipline. Parents, teachers, and experts all want smaller classes.

Last year, this Congress promised schools we would fund smaller class sizes for 7 years. This year, schools across the country are taking advantage of that program. But here we are, just 1 year later, and that commitment is fading. Last week, I released a letter signed by 38 Senators, Senators who are going to stand up for class size reduction. The President said if this Congress does not fund class size reduction, he will veto the bill. Last week, 38 Senators said they would stand with him and back up that veto.

Let me say to my colleagues, if you shortchange class size, the President will veto your bill. If you try to override that veto, we will stand together to make sure our kids get the smaller classes they deserve, the ones we promised them 1 year ago, a promise made by both parties to all of our kids.

I have other ideas on how we can help our students. As we begin discussing our Nation's Federal education law, I

will introduce legislation to assure that all segments of our school community—teachers, students, and families—play their role in improving education.

To help teachers, my legislation will give us the tools to recruit the world's finest educators; to retain educators by improving professional development and creating career ladders so that our best teachers will not leave the classroom but will have the opportunity to continue to grow professionally; to make sure all teachers can use the tools of technology to boost student achievement.

It will reward and recognize great educators. It will offer a meaningful financial bonus for States to improve teacher pay. And it will require educators to meet the same high standards we expect of our students.

Today, I am introducing legislation to help students by creating more meaningful roles for students in their schools and communities, finding the best examples of students and adults working together and rewarding those efforts and sharing those ideas with all schools, and showing the link between student involvement and student achievement.

Because we know parents and families are a child's first and best teachers, I am also introducing legislation that will invite families into our schools, train teachers, and administrators in the best ways to involve parents, and invest in family involvement at newer and higher levels.

It will use technology to make it easier for parents to stay informed and involved in their child's education. Borrowing from an example in my home State of Washington, it will build on the success of parent cooperative preschools which use local community colleges as a vehicle to improve parent involvement and school readiness for young kids.

I have talked with parents in my State, and it has become clear they want to be involved in their child's education. Too often, though, their jobs prevent them from being involved. That is why I introduced my Time for Schools Act. Which lets parents take up to 24 hours of unpaid leave off work each year to attend academic events at school and be involved in their child's education. That is the type of real-world solution that will help our parents.

Those are all parts of the comprehensive vision for improving education. I believe this plan will help prepare America for the next century. It is based on what we know works and has real money to back it up.

All too often, the debates on education begin with talk about how bad our public schools are. Everyone will hear that our schools are in shambles. I believe our schools are not failing, but if we let this Congress cut edu-

cation funding, we will be failing our public schools.

Most of our public schools are doing a good job. Some are not, but they are all facing more and more challenges with fewer resources than ever before. We have to recognize those challenges and prepare our schools and our children for the future.

Today, I hear a lot of talk about bureaucracy. I hear our schools are trapped by red tape. I was a school board member, and I know what it is like to fill out forms and, yes, we should reduce paperwork. That is why the class size reduction application is only one page, is available online, and takes just a few minutes to fill out. Less paperwork is good. But somehow some people have convinced themselves that if there are fewer forms, our kids will magically get the resources they need. Fewer forms will not buy a textbook or build a classroom. It takes resources and support, and it takes real dollars. Reducing bureaucracy sounds good, but it means nothing if it is only as good as the paper on which it is written.

I hear a lot of talk about flexibility. That sounds great. I support flexibility because I know that principals and local school boards understand their own needs best. But we cannot forget right now that the Federal Government sets money aside for specific programs, like for homeless children or gifted children, money to help our schools become safe and drug free. That money is targeted for special needs which we as a country believe are important, and those Federal funds do a lot of good because they are seven times more targeted than other education funds. That money ensures that every American child gets a good education.

But the plans I hear about tell schools, "Do whatever you want with the money." At the same time, those plans start cutting the amount of money available to schools, and then our kids are the losers. When that dollar is no longer attached to a specific need, like making our schools safe after Columbine, or meeting the needs of a child who is behind or a child who is gifted, it is a lot easier to cut that money.

Now schools think they have a choice, but they really have fewer options because there is less money available than there was the day before. When schools have choice with less money, national priorities and protections lose out.

Suddenly that choice does not sound so good. Suddenly that choice is not liberating; it is limiting, and that is wrong because some of our kids are going to be left behind when a bill promising some version of flexibility makes schools choose between children. Let's not forget that we have already passed a better version of school

flexibility called Ed-Flex earlier this year. Let's see how that serves our children before we try more risky approaches.

We cannot forget why the Federal Government got involved in education. Thirty years ago, when education was left to States and localities alone, some kids got left behind. So the Federal Government set a basic safety net for all children. These are the targeted funds that some plans would put into a block grant and then cut.

The Federal Government does two other vital things: It helps us meet national priorities, such as teaching technology or reducing class size, and it also helps students meet their potential and achieve at their highest levels. When this Congress ignores the reasons why we have a Federal partner in education, we are left with false choices that fail our children.

Our country deserves a real choice. We must offer real plans, real money to improve our schools, not false choices and not funding cuts. I urge my colleagues to listen to the American people. We should treat education like a priority and do right by all of our children.

ADDITIONAL COSPONSORS

S. 1235

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1235, a bill to amend part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to allow railroad police officers to attend the Federal Bureau of Investigation National Academy for law enforcement training.

S. 1510

At the request of Mr. MCCAIN, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1510, a bill to revise the laws of the United States appertaining to United States cruise vessels, and for other purposes.

S. 1626

At the request of Mr. HATCH, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1626, a bill to amend title XVIII of the Social Security Act to improve the process by which the Secretary of Health and Human Services makes coverage determinations for items and services furnished under the medicare program, and for other purposes.

SENATE CONCURRENT RESOLUTION 59

At the request of Mr. SMITH, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of Senate Concurrent Resolution 59, a concurrent resolution urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999.

SENATE RESOLUTION 118

At the request of Mr. REID, the names of the Senator from Kentucky

(Mr. BUNNING), the Senator from Kansas (Mr. ROBERTS), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Resolution 118, a resolution designating December 12, 1999, as "National Children's Memorial Day."

AMENDMENTS SUBMITTED

THE AFRICAN GROWTH AND OPPORTUNITY ACT

ROTH (AND MOYNIHAN) AMENDMENT NO. 2325

(Ordered to lie on the table.)

Mr. ROTH (for himself and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill (H.R. 434) to authorize a new trade and investment policy for sub-Saharan Africa; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade and Development Act of 1999".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Statement of policy.

Sec. 104. Sub-Saharan Africa defined.

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

Sec. 111. Eligibility for certain benefits.

Sec. 112. Treatment of certain textiles and apparel.

Sec. 113. United States-sub-Saharan African trade and economic cooperation forum.

Sec. 114. United States-sub-Saharan Africa free trade area.

Sec. 115. Reporting requirement.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

Sec. 201. Short title.

Sec. 202. Findings and policy.

Sec. 203. Definitions.

Subtitle B—Trade Benefits for Caribbean Basin Countries

Sec. 211. Temporary provisions to provide additional trade benefits to certain beneficiary countries.

Sec. 212. Adequate and effective protection for intellectual property rights.

Subtitle C—Cover Over of Tax on Distilled Spirits

Sec. 221. Suspension of limitation on cover over of tax on distilled spirits.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

Sec. 301. Extension of duty-free treatment under generalized system of preferences.

Sec. 302. Entry procedures for foreign trade zone operations.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

Sec. 401. Trade adjustment assistance.

TITLE V—REVENUE PROVISIONS

Sec. 501. Modification of installment method and repeal of installment method for accrual method taxpayers.

Sec. 502. Limitations on welfare benefit funds of 10 or more employer plans.

Sec. 503. Treatment of gain from constructive ownership transactions.

Sec. 504. Limitation on use of nonaccrual experience method of accounting.

Sec. 505. Allocation of basis on transfers of intangibles in certain non-recognition transactions.

Sec. 506. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

SEC. 101. SHORT TITLE.

This title may be cited as the "African Growth and Opportunity Act".

SEC. 102. FINDINGS.

Congress finds that—

(1) it is in the mutual interest of the United States and the countries of sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa;

(2) the 48 countries of sub-Saharan Africa form a region richly endowed with both natural and human resources;

(3) sub-Saharan Africa represents a region of enormous economic potential and of enduring political significance to the United States;

(4) the region has experienced a rise in both economic development and political freedom as countries in sub-Saharan Africa have taken steps toward liberalizing their economies and encouraged broader participation in the political process;

(5) the countries of sub-Saharan Africa have made progress toward regional economic integration that can have positive benefits for the region;

(6) despite those gains, the per capita income in sub-Saharan Africa averages less than \$500 annually;

(7) United States foreign direct investment in the region has fallen in recent years and the sub-Saharan African region receives only minor inflows of direct investment from around the world;

(8) trade between the United States and sub-Saharan Africa, apart from the import of oil, remains an insignificant part of total United States trade;

(9) trade and investment, as the American experience has shown, can represent powerful tools both for economic development and for building a stable political environment in which political freedom can flourish;

(10) increased trade and investment flows have the greatest impact in an economic environment in which trading partners eliminate barriers to trade and capital flows and encourage the development of a vibrant private sector that offers individual African citizens the freedom to expand their economic opportunities and provide for their families;

(11) offering the countries of sub-Saharan Africa enhanced trade preferences will encourage both higher levels of trade and direct investment in support of the positive economic and political developments under way throughout the region; and

(12) encouraging the reciprocal reduction of trade and investment barriers in Africa

will enhance the benefits of trade and investment for the region as well as enhance commercial and political ties between the United States and sub-Saharan Africa.

SEC. 103. STATEMENT OF POLICY.

Congress supports—

(1) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(2) reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade;

(3) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(4) negotiating reciprocal and mutually beneficial trade agreements, including the possibility of establishing free trade areas that serve the interests of both the United States and the countries of sub-Saharan Africa;

(5) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(6) strengthening and expanding the private sector in sub-Saharan Africa;

(7) supporting the development of civil societies and political freedom in sub-Saharan Africa; and

(8) establishing a United States-Sub-Saharan African Economic Cooperation Forum.

SEC. 104. SUB-SAHARAN AFRICA DEFINED.

In this title, the terms "sub-Saharan Africa", "sub-Saharan African country", "country in sub-Saharan Africa", and "countries in sub-Saharan Africa" refer to the following:

- (1) Republic of Angola (Angola).
- (2) Republic of Botswana (Botswana).
- (3) Republic of Burundi (Burundi).
- (4) Republic of Cape Verde (Cape Verde).
- (5) Republic of Chad (Chad).
- (6) Democratic Republic of Congo.
- (7) Republic of the Congo (Congo).
- (8) Republic of Djibouti (Djibouti).
- (9) State of Eritrea (Eritrea).
- (10) Gabonese Republic (Gabon).
- (11) Republic of Ghana (Ghana).
- (12) Republic of Guinea-Bissau (Guinea-Bissau).
- (13) Kingdom of Lesotho (Lesotho).
- (14) Republic of Madagascar (Madagascar).
- (15) Republic of Mali (Mali).
- (16) Republic of Mauritius (Mauritius).
- (17) Republic of Namibia (Namibia).
- (18) Federal Republic of Nigeria (Nigeria).
- (19) Democratic Republic of Sao Tome and Principe (Sao Tome and Principe).
- (20) Republic of Sierra Leone (Sierra Leone).
- (21) Somalia.
- (22) Kingdom of Swaziland (Swaziland).
- (23) Republic of Togo (Togo).
- (24) Republic of Zimbabwe (Zimbabwe).
- (25) Republic of Benin (Benin).
- (26) Burkina Faso (Burkina Faso).
- (27) Republic of Cameroon (Cameroon).
- (28) Central African Republic.
- (29) Federal Islamic Republic of the Comoros (Comoros).
- (30) Republic of Cote d'Ivoire (Cote d'Ivoire).
- (31) Republic of Equatorial Guinea (Equatorial Guinea).
- (32) Ethiopia.
- (33) Republic of the Gambia (Gambia).
- (34) Republic of Guinea (Guinea).
- (35) Republic of Kenya (Kenya).
- (36) Republic of Liberia (Liberia).
- (37) Republic of Malawi (Malawi).
- (38) Islamic Republic of Mauritania (Mauritania).
- (39) Republic of Mozambique (Mozambique).

- (40) Republic of Niger (Niger).
- (41) Republic of Rwanda (Rwanda).
- (42) Republic of Senegal (Senegal).
- (43) Republic of Seychelles (Seychelles).
- (44) Republic of South Africa (South Africa).
- (45) Republic of Sudan (Sudan).
- (46) United Republic of Tanzania (Tanzania).
- (47) Republic of Uganda (Uganda).
- (48) Republic of Zambia (Zambia).

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

“SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

“(a) AUTHORITY TO DESIGNATE.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 104 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

“(A) has established, or is making continual progress toward establishing—

“(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

“(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

“(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

“(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

“(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities; and

“(C) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502.

“(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 104 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 115 of the African Growth and Opportunity Act.

“(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

“(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

“(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

“(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

“(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

“(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

“(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms ‘beneficiary sub-Saharan African country’ and ‘beneficiary sub-Saharan African countries’ mean a country or countries listed in section 104 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.”

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

“(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.”

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 506A, as added by subsection (a), the following new section:

“SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

“In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.”

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new items:

“506A. Designation of sub-Saharan African countries for certain benefits.

“506B. Termination of benefits for sub-Saharan African countries.”

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Notwithstanding any other provision of law, textile and apparel articles described in subsection (b) (including textile luggage) imported from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of

duty and free of any quantitative limitations, if—

(1) the country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(2) the country enacts legislation or promulgates regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore goods.

(c) PENALTIES FOR TRANSSHIPMENTS.—

(1) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a beneficiary sub-Saharan African country, then the President shall deny all benefits under this section and section 506A of the Trade Act of 1974 to such exporter, any successor of such exporter, and any other entity owned or operated by the principal of the exporter for a period of 2 years.

(2) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subsection has occurred when preferential treatment for a textile or apparel article under subsection (a) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this paragraph, false information is material if disclosure of the true information would mean or would

have meant that the article is or was ineligible for preferential treatment under subsection (a).

(d) **TECHNICAL ASSISTANCE.**—The Customs Service shall provide technical assistance to the beneficiary sub-Saharan African countries for the implementation of the requirements set forth in subsection (a) (1) and (2).

(e) **MONITORING AND REPORTS TO CONGRESS.**—The Customs Service shall monitor and the Commissioner of Customs shall submit to Congress, not later than March 31 of each year that this section is in effect, a report on the effectiveness of the anti-circumvention systems described in this section and on measures taken by countries in sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in article 5 of the Agreement on Textiles and Clothing.

(f) **SAFEGUARD.**—The President shall have the authority to impose appropriate remedies, including restrictions on or the removal of quota-free and duty-free treatment provided under this section, in the event that textile and apparel articles from a beneficiary sub-Saharan African country are being imported in such increased quantities as to cause serious damage, or actual threat thereof, to the domestic industry producing like or directly competitive articles. The President shall exercise his authority under this subsection consistent with the Agreement on Textiles and Clothing.

(g) **DEFINITIONS.**—In this section:

(1) **AGREEMENT ON TEXTILES AND CLOTHING.**—The term “Agreement on Textiles and Clothing” means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(2) **BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY, ETC.**—The terms “beneficiary sub-Saharan African country” and “beneficiary sub-Saharan African countries” have the same meaning as such terms have under section 506A(c) of the Trade Act of 1974.

(3) **CUSTOMS SERVICE.**—The term “Customs Service” means the United States Customs Service.

(h) **EFFECTIVE DATE.**—The amendments made by this section take effect on October 1, 2000 and shall remain in effect through September 30, 2006.

SEC. 113. UNITED STATES-SUB-SAHARAN AFRICAN TRADE AND ECONOMIC COOPERATION FORUM.

(a) **DECLARATION OF POLICY.**—The President shall convene annual meetings between senior officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) **ESTABLISHMENT.**—Not later than 12 months after the date of enactment of this Act, the President, after consulting with the officials of interested sub-Saharan African governments, shall establish a United States-Sub-Saharan African Trade and Economic Cooperation Forum (in this section referred to as the “Forum”).

(c) **REQUIREMENTS.**—In creating the Forum, the President shall meet the following requirements:

(1) **FIRST MEETING.**—The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to invite their counterparts from interested sub-Saharan African governments and representatives of appropriate regional organizations to participate in the first annual meeting to discuss expanding trade and

investment relations between the United States and sub-Saharan Africa.

(2) **NONGOVERNMENTAL ORGANIZATIONS.**—

(A) **IN GENERAL.**—The President, in consultation with Congress, shall invite United States nongovernmental organizations to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) **PRIVATE SECTOR.**—The President, in consultation with Congress, shall invite United States representatives of the private sector to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) **ANNUAL MEETINGS.**—As soon as practicable after the date of enactment of this Act, the President shall meet with the heads of the governments of interested sub-Saharan African countries for the purpose of discussing the issues described in paragraph (1).

SEC. 114. UNITED STATES-SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) **IN GENERAL.**—The President shall examine the feasibility of negotiating a free trade agreement (or agreements) with interested sub-Saharan African countries.

(b) **REPORT TO CONGRESS.**—Not later than 12 months after the date of enactment of this Act, the President shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the President's conclusions on the feasibility of negotiating such agreement (or agreements). If the President determines that the negotiation of any such free trade agreement is feasible, the President shall provide a detailed plan for such negotiation that outlines the objectives, timing, any potential benefits to the United States and sub-Saharan Africa, and the likely economic impact of any such agreement.

SEC. 115. REPORTING REQUIREMENT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter for 4 years, the President shall submit a report to Congress on the implementation of this title.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

SEC. 201. SHORT TITLE.

This title may be cited as the “United States-Caribbean Basin Trade Enhancement Act”.

SEC. 202. FINDINGS AND POLICY.

(a) **FINDINGS.**—Congress makes the following findings:

(1) The Caribbean Basin Economic Recovery Act (referred to in this title as “CBERA”) represents a permanent commitment by the United States to encourage the development of strong democratic governments and revitalized economies in neighboring countries in the Caribbean Basin.

(2) Thirty-four democratically elected leaders agreed at the 1994 Summit of the Americas to conclude negotiation of a Free Trade Area of the Americas (referred to in this title as “FTAA”) by the year 2005.

(3) The economic security of the countries in the Caribbean Basin will be enhanced by the completion of the FTAA.

(4) Offering temporary benefits to Caribbean Basin countries will enhance trade between the United States and the Caribbean Basin, encourage development of trade and investment policies that will facilitate par-

ticipation of Caribbean Basin countries in the FTAA, preserve the United States commitment to Caribbean Basin beneficiary countries, help further economic development in the Caribbean Basin region, and accelerate the trend toward more open economies in the region.

(5) Promotion of the growth of free enterprise and economic opportunity in the Caribbean Basin will enhance the national security interests of the United States.

(6) Increased trade and economic activity between the United States and Caribbean Basin beneficiary countries will create expanding export opportunities for United States businesses and workers.

(b) **POLICY.**—It is the policy of the United States to—

(1) offer Caribbean Basin beneficiary countries willing to prepare to become a party to the FTAA or a comparable trade agreement, tariff treatment essentially equivalent to that accorded to products of NAFTA countries for certain products not currently eligible for duty-free treatment under the CBERA; and

(2) seek the participation of Caribbean Basin beneficiary countries in the FTAA or a trade agreement comparable to the FTAA at the earliest possible date, with the goal of achieving full participation in such agreement not later than 2005.

SEC. 203. DEFINITIONS.

In this title:

(1) **BENEFICIARY COUNTRY.**—The term “beneficiary country” has the meaning given the term in section 212(a)(1)(A) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

(2) **CBTEA.**—The term “CBTEA” means the United States-Caribbean Basin Trade Enhancement Act.

(3) **NAFTA.**—The term “NAFTA” means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(4) **NAFTA COUNTRY.**—The term “NAFTA country” means any country with respect to which the NAFTA is in force.

(5) **WTO AND WTO MEMBER.**—The terms “WTO” and “WTO member” have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

Subtitle B—Trade Benefits for Caribbean Basin Countries

SEC. 211. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL TRADE BENEFITS TO CERTAIN BENEFICIARY COUNTRIES.

(a) **TEMPORARY PROVISIONS.**—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

“(b) **IMPORT-SENSITIVE ARTICLES.**—

“(1) **IN GENERAL.**—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

“(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

“(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

“(C) tuna, prepared or preserved in any manner, in airtight containers;

“(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

“(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such

watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

“(F) articles to which reduced rates of duty apply under subsection (h).

“(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

“(A) PRODUCTS COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following products:

“(i) APPAREL ARTICLES ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles assembled in a CBTEA beneficiary country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

“(I) entered under subheading 9802.00.80 of the HTS; or

“(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were subjected to stonewashing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

“(ii) APPAREL ARTICLES CUT AND ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in such country with thread formed in the United States.

“(iii) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a CBTEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

“(iv) TEXTILE LUGGAGE.—Textile luggage—

“(I) assembled in a CBTEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

“(II) assembled from fabric cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such luggage is assembled in such country with thread formed in the United States.

“(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles described in subparagraph (A) shall enter the United States free of duty and free of any quantitative limitations.

“(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES DEFINED.—For purposes of subparagraph (A)(iii), the President, after consultation with the CBTEA beneficiary country concerned, shall determine which, if any, particular textile and apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3 (a), (b), or (c) or Appendix 3.1.B.11 of the Annex.

“(D) PENALTIES FOR TRANSSHIPMENTS.—

“(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a CBTEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

“(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTEA ben-

eficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipment articles multiplied by 3.

“(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment for a textile or apparel article under subparagraph (B) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

“(E) BILATERAL EMERGENCY ACTIONS.—

“(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

“(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

“(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

“(II) the term ‘transition period’ in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

“(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

“(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

“(A) EQUIVALENT TARIFF TREATMENT.—

“(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that originates in the territory of a CBTEA beneficiary country shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

“(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

“(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

“(4) CUSTOMS PROCEDURES.—

“(A) IN GENERAL.—

“(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

“(ii) DETERMINATION.—

“(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

“(aa) has implemented and follows, or

“(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

“(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is a CBTEA beneficiary country—

“(aa) from which the article is exported, or

“(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment.

“(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

“(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

“(A) ANNEX.—The term ‘the Annex’ means Annex 300-B of the NAFTA.

“(B) CBTEA BENEFICIARY COUNTRY.—

“(i) IN GENERAL.—The term ‘CBTEA beneficiary country’ means any ‘beneficiary country’, as defined by section 212(a)(1)(A) of this title, which the President determines has demonstrated a commitment to—

“(I) undertake its obligations under the WTO on or ahead of schedule;

“(II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and

“(III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

“(ii) CRITERIA FOR DETERMINATION.—In making the determination under clause (i), the President may consider the criteria in section 212 (b) and (c) and other appropriate criteria, including—

“(I) the extent to which the country follows accepted rules of international trade provided for under the agreements listed in section 101(d) of the Uruguay Round Agreements Act;

“(II) the extent to which the country provides protection of intellectual property rights—

“(aa) in accordance with standards established in the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act;

“(bb) in accordance with standards established in chapter 17 of the NAFTA; and

“(cc) by granting the holders of copyrights the ability to control the importation and

sale of products that embody copyrighted works, extending the period set forth in Article 1711(6) of NAFTA for protecting test data for agricultural chemicals to 10 years, protecting trademarks regardless of their subsequent designation as geographic indications, and providing enforcement against the importation of infringing products at the border;

“(III) the extent to which the country provides protections to investors and investments of the United States substantially equivalent to those set forth in chapter 11 of the NAFTA;

“(IV) the extent to which the country provides the United States and other WTO members nondiscriminatory, equitable, and reasonable market access with respect to the products for which benefits are provided under paragraphs (2) and (3), and in other relevant product sectors as determined by the President;

“(V) the extent to which the country provides internationally recognized worker rights, including—

“(aa) the right of association,

“(bb) the right to organize and bargain collectively,

“(cc) prohibition on the use of any form of coerced or compulsory labor,

“(dd) a minimum age for the employment of children, and

“(ee) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

“(VI) whether the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance;

“(VII) the extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, and becomes party to a convention regarding the extradition of its nationals;

“(VIII) the extent to which the country—

“(aa) supports the multilateral and regional objectives of the United States with respect to government procurement, including the negotiation of government procurement provisions as part of the FTAA and conclusion of a WTO transparency agreement as provided in the declaration of the WTO Ministerial Conference held in Singapore on December 9 through 13, 1996, and

“(bb) applies transparent and competitive procedures in government procurement equivalent to those contained in the WTO Agreement on Government Procurement (described in section 101(d)(17) of the Uruguay Round Agreements Act);

“(IX) the extent to which the country follows the rules on customs valuation set forth in the WTO Agreement on Implementation of Article VII of the GATT 1994 (described in section 101(d)(8) of the Uruguay Round Agreements Act);

“(X) the extent to which the country affords to products of the United States which the President determines to be of commercial importance to the United States with respect to such country, and on a nondiscriminatory basis to like products of other WTO members, tariff treatment that is no less favorable than the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such country is a party, other than the Central American Common Market or the Caribbean Community and Common Market.

“(C) CBTEA ORIGINATING GOOD.—

“(i) IN GENERAL.—The term ‘CBTEA originating good’ means a good that meets the

rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

“(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 with respect to a CBTEA beneficiary country for purposes of this subsection—

“(I) no country other than the United States and a CBTEA beneficiary country may be treated as being a party to the NAFTA;

“(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTEA beneficiary country;

“(III) any reference to a party shall be deemed to refer to a CBTEA beneficiary country or the United States; and

“(IV) any reference to parties shall be deemed to refer to any combination of CBTEA beneficiary countries or to the United States and a CBTEA beneficiary country (or any combination thereof).

“(D) TRANSITION PERIOD.—The term ‘transition period’ means, with respect to a CBTEA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

“(i) December 31, 2004, or

“(ii) the date on which the FTAA or a comparable trade agreement enters into force with respect to the United States and the CBTEA beneficiary country.

“(E) CBTEA.—The term ‘CBTEA’ means the United States-Caribbean Basin Trade Enhancement Act.

“(F) FTAA.—The term ‘FTAA’ means the Free Trade Area of the Americas.”

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 212(e) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting “(A)” after “(1)”;

(C) by striking “would be barred” and all that follows through the end period and inserting: “no longer satisfies one or more of the conditions for designation as a beneficiary country set forth in subsection (b) or such country fails adequately to meet one or more of the criteria set forth in subsection (c).”; and

(D) by adding at the end the following:

“(B) The President may, after the requirements of subsection (a)(2) and paragraph (2) have been met—

“(i) withdraw or suspend the designation of any country as a CBTEA beneficiary country, or

“(ii) withdraw, suspend, or limit the application of preferential treatment under section 213(b) (2) and (3) to any article of any country, if, after such designation, the President determines that as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 213(b)(5)(B).”; and

(2) by adding after paragraph (2) the following new paragraph:

“(3) If preferential treatment under section 213(b) (2) and (3) is withdrawn, suspended, or limited with respect to a CBTEA beneficiary country, such country shall not be deemed to be a ‘party’ for the purposes of applying section 213(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.”

(c) REPORTING REQUIREMENTS.—

(1) Section 212(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(f)) is amended to read as follows:

“(f) REPORTING REQUIREMENTS.—

“(1) IN GENERAL.—Not later than December 31, 2001, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

“(A) with respect to subsections (b) and (c), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

“(B) the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, under the criteria set forth in section 213(b)(5)(B)(ii).

(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 213(b)(5)(B)(i), and on the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, with respect to the criteria listed in section 213(b)(5)(B)(ii).”

(2) Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended—

(A) by striking “TRIENNIAL REPORT” in the heading and inserting “REPORT”; and

(B) by striking “On or before” and all that follows through “enactment of this title” and inserting “Not later than January 31, 2001”.

(d) INTERNATIONAL TRADE COMMISSION REPORTS.—

(1) Section 215(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704(a)) is amended to read as follows:

“(a) REPORTING REQUIREMENT.—

“(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the ‘Commission’) shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers and on the economy of the beneficiary countries.

“(2) FIRST REPORT.—The first report shall be submitted not later than September 30, 2001.

“(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.”

(2) Section 206(a) of the Andean Trade Preference Act (19 U.S.C. 3204(a)) is amended to read as follows:

“(a) REPORTING REQUIREMENTS.—

“(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the ‘Commission’) shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers, and, in conjunction with other agencies, the effectiveness of this title in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.

“(2) SUBMISSION.—During the period that this title is in effect, the report required by paragraph (1) shall be submitted on December 31 of each year that the report required by section 215 of the Caribbean Basin Economic Recovery Act is not submitted.

“(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.”

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701) is amended by inserting “(or other preferential treatment)” after “treatment”.

(B) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting “and except as provided in subsection (b) (2) and (3),” after “Tax Reform Act of 1986.”

(2) DEFINITIONS.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraphs:

“(D) The term ‘NAFTA’ means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

“(E) The terms ‘WTO’ and ‘WTO member’ have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).”

SEC. 212. ADEQUATE AND EFFECTIVE PROTECTION FOR INTELLECTUAL PROPERTY RIGHTS.

Section 212(c) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(c)) is amended by adding at the end the following flush sentence:

“Notwithstanding any other provision of law, the President may determine that a country is not providing adequate and effective protection of intellectual property rights under paragraph (9), even if the country is in compliance with the country’s obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).”

Subtitle C—Cover Over of Tax on Distilled Spirits**SEC. 221. SUSPENSION OF LIMITATION ON COVER OVER OF TAX ON DISTILLED SPIRITS.**

(a) IN GENERAL.—Section 7652(f) of the Internal Revenue Code of 1986 (relating to limitation on cover over of tax on distilled spirits) is amended by adding at the end the following new flush sentence:

“The preceding sentence shall not apply to articles that are tax-determined after June 30, 1999, and before October 1, 1999.”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to articles that are tax-determined after June 30, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—The treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days after the date of each cover over payment (made to such treasury under section 7652(e) of the Internal Revenue Code of 1986) to which section 7652(f) of such Code does not apply by reason of the last sentence thereof.

(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.

(iii) 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 as required by 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.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES**SEC. 301. EXTENSION OF DUTY-FREE TREATMENT UNDER GENERALIZED SYSTEM OF PREFERENCES.**

(a) IN GENERAL.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking “June 30, 1999” and inserting “June 30, 2004”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section applies to articles entered on or after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) GENERAL RULE.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), any entry—

(i) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such entry had been made on June 30, 1999, and

(ii) that was made—

(I) after June 30, 1999, and

(II) before the date of enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—As used in this paragraph, the term “entry” includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry, or

(B) to reconstruct the entry if it cannot be located.

SEC. 302. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE OPERATIONS.

(a) IN GENERAL.—Section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended by adding at the end the following new subsection:

“(i) SPECIAL RULE FOR FOREIGN TRADE ZONE OPERATIONS.—

“(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (3), all merchandise (including merchandise of different classes, types, and categories), withdrawn from a foreign trade zone during any 7-day period, shall, at the option of the operator or user of the zone, be the subject of a single estimated entry or release filed on or before the first day of the 7-day period in which the merchandise is to be withdrawn from the zone. The estimated entry or release shall be treated as a single entry and a single release of merchandise for purposes of section 13031(a)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee exclusions and limitations of such section 13031 shall apply, including the maximum and minimum fee amounts provided for under subsection (b)(8)(A)(i) of such section. The entry summary for the estimated entry or release shall cover only the merchandise actually withdrawn from the foreign trade zone during the 7-day period.

“(2) OTHER REQUIREMENTS.—The Secretary of the Treasury may require that the operator or user of the zone—

“(A) use an electronic data interchange approved by the Customs Service—

“(i) to file the entries described in paragraph (1); and

“(ii) to pay the applicable duties, fees, and taxes with respect to the entries; and

“(B) satisfy the Customs Service that accounting, transportation, and other controls over the merchandise are adequate to protect the revenue and meet the requirements of other Federal agencies.

“(3) EXCEPTION.—The provisions of paragraph (1) shall not apply to merchandise the entry of which is prohibited by law or merchandise for which the filing of an entry summary is required before the merchandise is released from customs custody.

“(4) FOREIGN TRADE ZONE; ZONE.—In this subsection, the terms ‘foreign trade zone’ and ‘zone’ mean a zone established pursuant to the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81a et seq.).”

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE**SEC. 401. TRADE ADJUSTMENT ASSISTANCE.**

(a) ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a), by striking “June 30, 1999” and inserting “September 30, 2001”; and

(2) in subsection (b), by striking “June 30, 1999” and inserting “September 30, 2001”.

(b) NAFTA TRANSITIONAL PROGRAM.—Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking “the period beginning October 1, 1998, and ending June 30, 1999, shall not exceed \$15,000,000” and inserting “the period beginning October 1, 1998, and ending September 30, 2001, shall not exceed \$30,000,000 for any fiscal year”.

(c) ADJUSTMENT FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking “June 30, 1999” and inserting “September 30, 2001”.

(d) **TERMINATION.**—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended by striking “June 30, 1999” each place it appears and inserting “September 30, 2001”.

(e) **EFFECTIVE DATE.**—The amendments made by this section take effect on July 1, 1999.

TITLE V—REVENUE PROVISIONS

SEC. 501. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) **REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.**—

(1) **IN GENERAL.**—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

“(a) **USE OF INSTALLMENT METHOD.**—

“(1) **IN GENERAL.**—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

“(2) **ACCRUAL METHOD TAXPAYER.**—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (1)(2).”

(2) **CONFORMING AMENDMENTS.**—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking “(a)” each place it appears and inserting “(a)(1)”.

(b) **MODIFICATION OF PLEDGE RULES.**—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: “A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 502. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) **BENEFITS TO WHICH EXCEPTION APPLIES.**—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

“(A) **IN GENERAL.**—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are one or more of the following:

“(i) Medical benefits.

“(ii) Disability benefits.

“(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.”

(b) **LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.**—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

“(5) **SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.**—For purposes of paragraph (1)(C), if—

“(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide one or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

“(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made, then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 503. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) **IN GENERAL.**—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

“SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

“(a) **IN GENERAL.**—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

“(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

“(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

“(b) **INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.**—

“(1) **IN GENERAL.**—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

“(2) **AMOUNT OF INTEREST.**—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

“(3) **APPLICABLE FEDERAL RATE.**—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

“(4) **NO CREDITS AGAINST INCREASE IN TAX.**—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

“(A) the amount of any credit allowable under this chapter, or

“(B) the amount of the tax imposed by section 55.

“(c) **FINANCIAL ASSET.**—For purposes of this section—

“(1) **IN GENERAL.**—The term ‘financial asset’ means—

“(A) any equity interest in any pass-thru entity, and

“(B) to the extent provided in regulations—

“(i) any debt instrument, and

“(ii) any stock in a corporation which is not a pass-thru entity.

“(2) **PASS-THRU ENTITY.**—For purposes of paragraph (1), the term ‘pass-thru entity’ means—

“(A) a regulated investment company,

“(B) a real estate investment trust,

“(C) an S corporation,

“(D) a partnership,

“(E) a trust,

“(F) a common trust fund,

“(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

“(H) a foreign personal holding company,

“(I) a foreign investment company (as defined in section 1246(b)), and

“(J) a REMIC.

“(d) **CONSTRUCTIVE OWNERSHIP TRANSACTION.**—For purposes of this section—

“(1) **IN GENERAL.**—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

“(A) holds a long position under a notional principal contract with respect to the financial asset,

“(B) enters into a forward or futures contract to acquire the financial asset,

“(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

“(D) to the extent provided in regulations prescribed by the Secretary, enters into one or more other transactions (or acquires one or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

“(2) **EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.**—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

“(3) **LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.**—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

“(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

“(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

“(4) **FORWARD CONTRACT.**—The term ‘forward contract’ means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

“(e) **NET UNDERLYING LONG-TERM CAPITAL GAIN.**—For purposes of this section, in the

case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

“(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

“(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

“(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

“(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

“(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.”

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 1260. Gains from constructive ownership transactions.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 504. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES” in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the tax-

payer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 505. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NON-RECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 of the Internal Revenue Code of 1986 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

“(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

“(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.—

“(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

“(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

“(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.”

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 of the Internal Revenue Code of 1986 is amended to read as follows:

“(d) TRANSFERS OF INTANGIBLE PROPERTY.—

“(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

“(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).”

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

SEC. 506. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) of the Internal Revenue Code of 1986 (relating to withholding) is amended by striking “10 percent” and inserting “15 percent”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 2000.

Amend the title so as to read: “To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.”

THE NURSING RELIEF FOR DISADVANTAGED AREAS ACT OF 1999

LOTT (AND DASCHLE)
AMENDMENT NO. 2326

Mr. ROBERTS (for Mr. LOTT (for himself and Mr. DASCHLE)) proposed an amendment to the bill (H.R. 441) to amend the Immigration and Nationality Act with respect to the requirements for the admission of non-immigrant nurses who will practice in health professional shortage areas; as follows:

At the end of the bill add the following:

SEC. ____ NATIONAL INTEREST WAIVERS OF JOB OFFER REQUIREMENTS FOR ALIENS WHO ARE MEMBERS OF THE PROFESSIONS HOLDING ADVANCED DEGREES OR ALIENS OF EXCEPTIONAL ABILITY.

Section 203(b)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(B)) is amended to read as follows:

“(B) WAIVER OF JOB OFFER.—

“(i) NATIONAL INTEREST WAIVER.—Subject to clause (ii), the Attorney General may, when the Attorney General deems it to be in the national interest, waive the requirements of subparagraph (A) that an alien's services in the sciences, arts, professions, or business be sought by an employer in the United States.

“(ii) PHYSICIANS WORKING IN SHORTAGE AREAS OR VETERANS FACILITIES.—

“(I) IN GENERAL.—The Attorney General shall grant a national interest waiver pursuant to clause (i) on behalf of any alien physician with respect to whom a petition for preference classification has been filed under subparagraph (A) if—

“(aa) the alien physician agrees to work full time as a physician in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs; and

“(bb) a Federal agency or a department of public health in any State has previously determined that the alien physician's work in such an area or at such facility was in the public interest.

“(II) PROHIBITION.—No permanent resident visa may be issued to an alien physician described in subclause (I) by the Secretary of State under section 204(b), and the Attorney General may not adjust the status of such an alien physician from that of a nonimmigrant alien to that of a permanent resident alien under section 245, until such time as the alien has worked full time as a physician for an aggregate of five years (not including the time served in the status of an alien described in section 101(a)(15)(J)), in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs.

“(III) STATUTORY CONSTRUCTION.—Nothing in this subparagraph may be construed to prevent the filing of a petition with the Attorney General for classification under section 204(a), or the filing of an application for adjustment of status under section 245, by an alien physician described in subclause (I) prior to the date by which such alien physician has completed the service described in subclause (II).

“(IV) EFFECTIVE DATE.—The requirements of this subsection do not affect waivers on behalf of alien physicians approved under section 203(b)(2)(B) before the enactment date of this subsection. In the case of a physician for whom an application for a waiver was filed under Section 203(b)(2)(B) prior to November 1, 1998, the Attorney General shall grant a national interest waiver pursuant to Section 203(b)(2)(B) except that the alien is required to have worked full time as a physician for an aggregate of three years (not including time served in the status of an alien described in section 101(a)(15)(J)) before a visa can be issued to the alien under Section 204(b) or the status of the alien is adjusted to permanent resident under Section 245.”

HATCH AMENDMENT NO. 2327

Mr. ROBERTS (for Mr. HATCH) proposed an amendment to the bill, H.R. 441, *supra*; as follows:

At the end of the bill insert the following:
SEC. . FURTHER CLARIFICATION OF TREATMENT OF CERTAIN INTERNATIONAL ACCOUNTING FIRMS.

Section 206(a) of the Immigration Act of 1990 (8 U.S.C. 1101 note) is amended to read as follows:

“(a) CLARIFICATION OF TREATMENT OF CERTAIN INTERNATIONAL ACCOUNTING AND MANAGEMENT CONSULTING FIRMS.—In applying sections 101(a)(15)(L) and 203(b)(1)(C) of the Immigration and Nationality Act, and for no other purpose, in the case of a partnership that is organized in the United States to provide accounting or management consulting services and that markets its accounting or management consulting services under an internationally recognized name under an agreement with a worldwide coordinating organization that is collectively owned and controlled by the member accounting and management consulting firms or by the elected members (partners, shareholders, members, employees) thereof, an entity that is organized outside the United States to provide accounting or management consulting services shall be considered to be an affiliate of the United States accounting or management consulting partnership if it markets its accounting or management consulting services under the same internationally recognized name directly or indirectly under an agreement with the same worldwide coordinating organization of which the United States partnership is also a member. Those partnerships organized within the United States and entities organized outside the United States which are considered affiliates under this subsection shall continue to be considered affiliates to the extent such firms enter into a plan of association with a successor worldwide coordinating organization, which need not be collectively owned and controlled.”

ADDITIONAL STATEMENTS

TRIBUTE TO THE HONORABLE BRUCE M. SELYA

• Mr. CHAFEE. Mr. President, for the past 5½ years, Judge Bruce Selya has served as Board Chairman of the Lifespan hospital system, a network of five hospitals in Rhode Island and Massachusetts. After an impressive tenure, he is stepping down from that post this week.

As a United States Appeals Court Judge for the First Circuit, Judge Selya already has heavy responsibilities. Nevertheless, he approached this unpaid position with great energy and determination. He has been actively engaged in the health care debates in my state.

Indeed, he was one of the chief architects of the Lifespan system, helping to bring about the initial merger between Rhode Island Hospital and Miriam Hospital in 1994. As Chairman, he oversaw the addition of Bradley Hospital, Newport Hospital, and Boston's New England Medical Center to the system. Together, those five hospitals offer more than 1,600 beds. In 1998, they discharged more than 60,000 patients and treated nearly 200,000 emergency room visitors.

Presumably, any one or more of these facilities might have been acquired by an out-of-state hospital network, reducing them to “satellite” status and moving the decision-making authority out of Rhode Island. Thanks to Judge Selya's leadership and foresight, hospital decisions affecting quality of care for Rhode Islanders are still made within my state's borders.

These past five years have been tumultuous times for the hospital industry, marked by changes in the Medicare and Medicaid programs, and difficulties in the private health insurance market. Judge Selya recognized these challenges as they came along, and he has been responsive to them.

And so, Mr. President, I want to salute Judge Selya for his long-standing commitment to quality health care for the people of Rhode Island. Bruce is a good friend and a long-time supporter, going back to before my first campaign for Governor in 1962. I look forward to continuing our close association in the years ahead.●

A SALUTE TO MEDAL OF FREEDOM RECIPIENT EVY DUBROW

• Mr. HOLLINGS. Mr. President, I rise today to recognize my friend, Evelyn Dubrow, who recently received the Presidential Medal of Freedom. Unfortunately, a previous commitment prevented me from joining Evy's many friends and admirers at the ceremony, but I want to commend her on receiving the nation's highest civilian honor bestowed by the United States Government.

President Kennedy established the Presidential Medal of Freedom award in 1963 to honor persons who have made especially meritorious contributions to the security or national interests of the United States, to world peace, or to cultural or other significant private or public endeavors. There is not a more deserving recipient of this award than Evy Dubrow. As founder of the Coalition of Labor Union Women and Americans for Democratic Action, she tackled difficult issues from fair trade to

civil rights. As legislative director of UNITE and its predecessor, the International Ladies' Garment Workers Union, Evy spent her career fighting not only for labor rights, but for individual rights and humanity. She is by far one of the best I have had the pleasure to know and to work with.

Mr. President, I ask that President Clinton's remarks upon the presentation of the Presidential Medal of Freedom to Evelyn Dubrow be printed in the RECORD:

Evy Dubrow came to Washington more than 40 years ago, ready to do battle for America's garment workers—and do battle she did. When it came to the well-being of workers and their families, this tiny woman was larger than life. The halls of Congress still echo with the sound of her voice, advocating a higher minimum wage, safer work places, better education for the children of working families. And in opposition, to President Ford and me, she also was against NAFTA.

No matter how divisive the issue, however, Evy always seemed to find a way to bring people together, to find a solution. As she put it, there are good people on both sides of each issue. And she had a knack for finding those people.

By the time she retired two years ago, at the age of 80, she had won a special chair in the House Chamber, a special spot at the poker table in the Filibuster Room and a special place in the hearts of even the most hard-bitten politicians in Washington; even more important, for decades and decades, she won victory after victory for social justice.●

A LESSON LEARNED THE HARD WAY

• Mr. LEVIN. Mr. President, it is with great sadness that I reveal yet another tragedy in my state. Early this week, in the dormitories of Kalamazoo College, a 20 year old student allegedly shot and killed his former girlfriend, before turning the gun on himself and committing suicide. Now, two students are dead, and the relatively small campus in Kalamazoo is in deep shock over the loss of their fellow classmates.

The apparent murder-suicide was announced in a campus-wide email, sent to all students to inform them that classes and school events would be canceled, trained counselors would be on hand, and a mass grieving assembly would take place on the campus quad-rangle. To many, such an announcement must have seemed like a terrible nightmare. But students soon realized that this tragedy was not a dream and this week they have been trying to make sense of such senseless violence.

This week, students are being taught the most valuable lesson they'll ever learn in college. Unfortunately, it's a lesson learned the hard way. What they will take away from this tragedy is the knowledge that guns can destroy innocent lives and devastate families; guns can result in pain, suffering, and loss of quality of life; and gun violence will continue to be a reoccurring nightmare for our young people unless Congress

controls the easy access of guns among minors.

I ask that an article about this tragedy be printed in the RECORD.

The article follows:

[From the Kalamazoo Gazette, Oct. 19, 1999]
K-COLLEGE STUDENTS SEARCH FOR ANSWERS—
MURDER-SUICIDE LEAVES MANY WONDERING
WHAT THEY COULD HAVE DONE TO STOP IT

(By Lynn Turner and Mark Fisk)

The students came in groups of two or 10, quietly walking toward "The Quad" of Kalamazoo College just before noon on Monday.

By the time college President James Jones stepped to the portable podium on the east end of the grassy clearing, more than 300 students had gathered—eerily silent—to hear words that, maybe, would answer the question "Why?"

Why had junior Neenef Odah, 20, a computer science major, shot sophomore Margaret Wardle, 19, to death and then turned the shotgun on himself in an apparent murder-suicide?

Could others have recognized some sign and stopped the carnage?

"There is, to date, not a single indication that any of us could have foreseen what was festering in Neenef's mind and what drove him in the end to commit such a deed," Jones said as an occasional sob was heard from those at the gathering. "I ask you, therefore, on this serene quad, on this autumnal day, not to second-guess yourself.

"We shall not succeed today to make any sense of this endless night and their senseless deaths. All we mortals can do is hold tight to each other."

After Jones ended his 15-minute speech and walked away, the students continued to stand and sit in a ragged semicircle until some began shifting, forming knots of hugging students who cleared away each other's tears.

JEALOUSY POSSIBLE MOTIVE

Witnesses told police they heard a heated argument coming from within Odah's dorm room in DeWaters Hall around midnight Monday.

"They heard a female yelling, then some loud bangs," said Capt. Jerome Bryant of the Kalamazoo Department of Public Safety.

If Odah planned the shooting, he kept his intentions private. Several students told the Kalamazoo Gazette there were no warning signs that Wardle's life was in danger.

Police combing the school for clues also came up empty-handed.

Even talks with Wardle's mother and stepfather, and Odah's father on Monday shed no light on any problems between the two, Jones said.

Jealousy is considered the prime motive in the incident. The two had dated on and off for the past year.

"There was a homecoming dance over the weekend in which both people were in attendance," Bryant said. "She was dancing with another K-College student and possibly this is what invoked his rage."

The weapon used was a bolt-action shotgun, Bryant said. Wardle was shot at least twice.

"He had purchased it legally from a Kalamazoo-area gun dealer earlier this month," Bryant said.

SORTING IT OUT

About 25 minutes after the meeting, about 100 students remained in the quad. The mood remained heavy despite the sunshine.

The Rev. Ken Schmidt, pastor of St. Thomas More Student Parish, and pastoral team

member Andy Lothschultz wandered among the students, offering hugs and shoulders on which to cry.

"I don't have anything to tell them that can make sense of something that doesn't make much sense," Schmidt said. "All I can do is listen and help them to process it for themselves."

Jessie Sheidt, finance director for K-College's Student Commission, was one of those trying to make sense of things. Although she didn't know either student directly, Sheidt said a friend of hers was a friend of Wardle's. "There's a total trust between students on this campus," she said of the 1,300-member student body.

Bad things don't happen here, she said. At least they're not supposed to.

Simone Lutz, president of the Student Commission, said that belief was the topic at hand during early morning meetings she had with students.

"We all think it doesn't happen here, but in all reality it does," she said.

But it hasn't shattered the bonds between students.

"The cocoon is still very much intact," Lutz said. "When something happens, we all come together. It develops a much closer bond to see people out here who care so much about the people who we've lost. . . . It's amazing, and I think it's an incredibly heartwarming thing."

ZERO TOLERANCE FOR WEAPONS

During a media briefing following Jones' speech at the quad, his patience slipped—showing the toll of the previous 12 hours—when he was asked what, if any, new information he had.

"We don't know any more than we knew this morning," he said curtly. "We have two dead students and a grieving campus."

Outside counselors are augmenting the college's staff at residence halls and Stetson Chapel, he said.

When asked about the weapon used in the apparent murder-suicide, Jones said that neither he nor Odah's roommate had a clue as to when it came into the dorm room or how long it had been there.

The roommate, who has not been identified except as a Hornet football player, was working in the college's ceramics studio at the time of the incident. He, along with two suite-mates, have been moved to new quarters, Jones said.

K-College has long had a zero tolerance policy for having weapons on campus, including weapons used as theatrical and sports-related equipment, said Marilyn LaPlante, a vice president there. This fall it became the basis for suspension.

Jones called for tighter gun control measures during his talk to students.

"I wish every congressman in Washington who has taken a position against gun control could walk on this campus this tragic day," he said. "I would imagine that a moment or two here would drive them to change the laws of the land tomorrow morning."

Wardle showed much promise.

Although few could make sense of Monday's tragic events, everyone agreed that Wardle was a young woman full of potential. A science teacher called the National Honor Society member one of two of the most intelligent students he'd encountered.

Plainwell High School Principal Linda Iciek called her "a lovely young woman of character . . . an outstanding student who will be missed by students and staff alike."

Little is known of Odah. Jones said Odah was not an athlete on any school team. He didn't have information regarding any of Odah's extracurricular activities.

Sarah Ayres, Wardle's best friend, said Wardle was good at "anything she did.

"She was really smart, she was top-notch, but she was so modest she would never flaunt it," Ayres said. "She was the kind of person that had great things coming."

Ayres and her boyfriend had gone on a double date with Wardle and Odah, but saw nothing to lead her to believe their relationship would end in violence.

"He seemed like a normal person and she never said something" to indicate anything was wrong, Ayres said. "I think he was thinking it was more serious than she did. She broke it off with him this year and started going out with other people this summer. . . . I know he wanted her back the whole time."

Ayres' father had the task of informing his daughter of the deaths by telephone Monday. Ayres is studying in Mexico through a Hope College program.

"I couldn't hardly believe it at first," Ayres said. "She was like the fourth daughter in my family, so my dad was real shook up, too. We're all shook up. She was such an extraordinary person." ●

CONGRATULATING THE NEW YORK YANKEES AND THE NEW YORK METS ON THEIR SUCCESSFUL SEASONS

● Mr. MOYNIHAN. Mr. President, I rise today to add my voice to those of millions of New Yorkers to thank two treasured teams for a most memorable baseball season in the Empire State. We seldom enjoy such sweet success from both our major league teams, and in this regard our season has been unique. Our revered Bronx Bombers competed in typical Yankee fashion and have earned yet another World Series berth: their third in four years, 36th of the century. Meanwhile, our equally cherished Mets brought us an emotionally-lifting season and for a remarkable month faithfully lived up to their moniker "The Amazin's." Each team achieved its success with character and class, and I would like to speak on these attributes.

This year's Mets provided us with a look into the gloried past as they continually conjured up wins worthy of the fabled '69 Miracle Mets. The last month of the season was a window into the Mets heart and soul, the view enthralling. Each time their prospects dimmed the gentlemen from Queens rose to the challenge. From a one-game playoff to enter the Division Series, to the final 26 roller-coaster innings of games five and six of the National League Championship Series, the Amazin's captivated New York with their relentless play.

These victories were earned by a collection of individuals epitomizing all that makes New York great. Al Leiter's pivotal shutout of the Reds advanced New York to the Division Series. Todd Pratt, substituting for the mighty Mike Piazza, won the Division Series with a storybook home run. Rookie Melvin Mora led the Mets in hitting in the NLCS. Perhaps the ultimate New York moment was Robin

Ventura's "Grand Single" in the bottom of the 15th inning of Game 5 to win. Together, these players captivated us for a month of remarkable baseball. No game was out of reach and we watched in awed appreciation. Unfortunately, even these Miracle Mets reached the end of the road, a mere two wins shy of the World Series. But there is great pride in New York today for these Mets have soared.

We are blessed with another baseball team in New York. The Yankees are the greatest franchise in the history of sports and this season they have continued to meet their own lofty standards. Their quiet confidence and unassailable professionalism have powered them to a rematch with their 1996 World Series opponents, the Atlanta Braves. This matchup will determine who is the best team of the '90's and there is little doubt that the Yankees will bring their best to this pursuit.

The character of the Yankee team is unassailable. Joe Torre has fashioned a team in his own typically modest image. When an early season bout with cancer stole Torre from the team the Yanks rallied around their manager and maintained the unity that he created. This toughness of character was displayed throughout the season and into the playoffs. Paul O'Neill's gritty play with a broken rib best exemplifies the type of play the Yankees have given for Torre. With the dominance of "El Duque" Orlando Hernandez and Mariano Rivera the Yankees intimidated the Rangers and defeated the Red Sox. And of course the perpetually unflappable Ramiro Mendoza was pivotal in carrying us in times of trouble. With this team effort the Yankees have given Torre their best. It is with great anticipation that we look forward to the Yankees picking up the banner for the honor of New York.

Near the end of the regular season, as the Mets prospects looked bleak, one Atlanta player uncharitably suggested that New York fans shed their loyalty for the Mets and give their allegiance to the Yankees. The Mets very nearly proved this player wrong.

With great charity a united New York responds: Chipper, we'll see you in the Bronx.●

MORNING BUSINESS

The PRESIDING OFFICER. Acting in my individual capacity as a Senator from Kansas, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 10 minutes.

Without objection, it is so ordered.

MEASURE READ THE FIRST TIME—S. 1770

The PRESIDING OFFICER. Acting in my individual capacity as a Senator

from Kansas, I understand that S. 1770, which was introduced by Senator LOTT and others, is at the desk. I ask for its first reading.

The clerk will read the bill by title.

The legislative clerk read as follows:

A bill (S. 1770) to amend the Internal Revenue Code of 1986 to permanently extend the research and development credit and to extend certain other expiring provisions for 30 months, and for other purposes.

The PRESIDING OFFICER. I now ask for its second reading and object to my own request.

Objection is heard.

IMMIGRATION AND NATIONALITY ACT AMENDMENT

The PRESIDING OFFICER. Acting in my capacity as an individual Senator from Kansas, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 168, H.R. 441.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 441) to amend the Immigration and Nationality Act with respect to the requirements of the admission of non-immigrant nurses who will practice in health professional shortage areas.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2326

The PRESIDING OFFICER. Senators LOTT and DASCHLE have an amendment at the desk.

The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. ROBERTS), for Mr. LOTT and Mr. DASCHLE, proposes an amendment numbered 2326.

The amendment is as follows:

At the end of the bill add the following:

SEC. . NATIONAL INTEREST WAIVERS OF JOB OFFER REQUIREMENTS FOR ALIENS WHO ARE MEMBERS OF THE PROFESSIONS HOLDING ADVANCED DEGREES OR ALIENS OF EXCEPTIONAL ABILITY.

Section 203(b)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(B)) is amended to read as follows:

"(B) WAIVER OF JOB OFFER.—

"(i) NATIONAL INTEREST WAIVER.—Subject to clause (ii), the Attorney General may, when the Attorney General deems it to be in the national interest, waive the requirements of subparagraph (A) that an alien's services in the sciences, arts, professions, or business be sought by an employer in the United States.

"(ii) PHYSICIANS WORKING IN SHORTAGE AREAS OR VETERANS FACILITIES.—

"(I) IN GENERAL.—The Attorney General shall grant a national interest waiver pursuant to clause (i) on behalf of any alien physician with respect to whom a petition for preference classification has been filed under subparagraph (A) if—

"(aa) the alien physician agrees to work full time as a physician in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs; and

"(bb) a Federal agency or a department of public health in any State has previously de-

termined that the alien physician's work in such an area or at such facility was in the public interest.

"(II) PROHIBITION.—No permanent resident visa may be issued to an alien physician described in subclause (I) by the Secretary of State under section 204(b), and the Attorney General may not adjust the status of such an alien physician from that of a nonimmigrant alien to that of a permanent resident alien under section 245, until such time as the alien has worked full time as a physician for an aggregate of five years (not including the time served in the status of an alien described in section 101(a)(15)(J)), in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs.

"(III) STATUTORY CONSTRUCTION.—Nothing in this subparagraph may be construed to prevent the filing of a petition with the Attorney General for classification under section 204(a), or the filing of an application for adjustment of status under section 245, by an alien physician described in subclause (I) prior to the date by which such alien physician has completed the service described in subclause (II).

"(IV) EFFECTIVE DATE.—The requirements of this subsection do not affect waivers on behalf of alien physicians approved under section 203(b)(2)(B) before the enactment date of this subsection. In the case of a physician for whom an application for a waiver was filed under Section 203(b)(2)(B) prior to November 1, 1998, the Attorney General shall grant a national interest waiver pursuant to Section 203(b)(2)(B) except that the alien is required to have worked full time as a physician for an aggregate of three years (not including time served in the status of an alien described in section 101(a)(15)(J)) before a visa can be issued to the alien under Section 204(b) or the status of the alien is adjusted to permanent resident under Section 245."

The PRESIDING OFFICER. I ask unanimous consent that the amendment be agreed to.

The amendment (No. 2326) was agreed to.

AMENDMENT NO. 2327

The PRESIDING OFFICER. There is a second amendment at the desk.

The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. ROBERTS), for Mr. HATCH, proposes an amendment numbered 2327.

The amendment is as follows:

At the end of the bill insert the following:

SEC. . FURTHER CLARIFICATION OF TREATMENT OF CERTAIN INTERNATIONAL ACCOUNTING FIRMS.

Section 206(a) of the Immigration Act of 1990 (8 U.S.C. 1101 note) is amended to read as follows:

"(a) CLARIFICATION OF TREATMENT OF CERTAIN INTERNATIONAL ACCOUNTING AND MANAGEMENT CONSULTING FIRMS.—In applying sections 101(a)(15)(L) and 203(b)(1)(C) of the Immigration and Nationality Act, and for no other purpose, in the case of a partnership that is organized in the United States to provide accounting or management consulting services and that markets its accounting or management consulting services under an internationally recognized name under an agreement with a worldwide coordinating organization that is collectively owned and controlled by the member accounting and

management consulting firms or by the elected members (partners, shareholders, members, employees) thereof, an entity that is organized outside the United States to provide accounting or management consulting services shall be considered to be an affiliate of the United States accounting or management consulting partnership if it markets its accounting or management consulting services under the same internationally recognized name directly or indirectly under an agreement with the same worldwide coordinating organization of which the United States partnership is also a member. Those partnerships organized within the United States and entities organized outside the United States which are considered affiliates under this subsection shall continue to be considered affiliates to the extent such firms enter into a plan of association with a successor worldwide coordinating organization, which need not be collectively owned and controlled."

Mr. HATCH. Mr. President, the amendment I am offering is a minor, technical clarification to the L visa program. The L visa is a temporary, nonimmigrant visa allowing a U.S. company which is part of an international business to make intra-company transfers from overseas of foreign executives, managers, and employees with specialized knowledge to America. In 1990, Congress clarified that international accounting firms and their related management consulting practices would be able to use the L visas. This specific provision in the Immigration Act of 1990 was thought necessary by Congress because, for legal and historical reasons, international accounting firms and their management consulting businesses are not organized the same way most international corporations are organized. The laws of various foreign countries relating to the accounting profession have caused the international accounting and associated management consulting businesses to be generally organized as partnerships held together by contracts with a worldwide coordinating organization. The INS regulations reflect congressional intent to be sure that international accounting firms and their associated management consulting businesses so organized would not be at a disadvantage under the L visa program. 8 CFR Section 214.2(1)(1)(ii)(L)(3).

My amendment will make sure that any international management consulting firm that separates from an international accounting firm, yet continues to maintain the qualifying worldwide organizational structure, may continue to use the L visa even if it is no longer connected to an accounting firm. Thus, no new category of beneficiaries may use the L visa. On the other hand, no business currently able to use the L visa will lose the right to do so under this amendment, including management consulting firms which have a relationship with an international accounting firm or which are organized in a more typical international corporate structure.

The PRESIDING OFFICER. I ask unanimous consent that the amendments be agreed to, the bill be read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

Without objection, it is so ordered.

The bill (H.R. 441), as amended, was passed.

MEASURE READ THE FIRST TIME—S. 1771

The PRESIDING OFFICER. Acting in my individual capacity as a Senator from Kansas, I understand that S. 1771, which was introduced by Senator ASHCROFT and others, is at the desk, and I ask for its first reading.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1771) to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural or medical sanction against a foreign country or foreign entity.

The PRESIDING OFFICER. I now ask for its second reading and object to my own request.

Objection is heard.

EXECUTIVE CALENDAR

EXECUTIVE SESSION

The PRESIDING OFFICER. Acting in my capacity as a Senator from Kansas, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: Executive Calendar Nos. 137 and 272.

I further ask unanimous consent that the nominations be confirmed, the motion to reconsider be laid upon the table, and any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

DEPARTMENT OF STATE

David B. Sandalow, of the District of Columbia, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

THE JUDICIARY

Richard K. Eaton, of the District of Columbia, to be a Judge of the United States Court of International Trade.

Mr. MOYNIHAN. Mr. President, I must say how delighted I am that the Senate has just confirmed Richard K. Eaton to be a Judge of the United States Court of International Trade. I have known Dick for nearly a quarter-century: he volunteered to work on my

first campaign for the United States Senate in 1976. I was so impressed with his abilities, I asked him to run my Oneonta office. Later, he ran my New York City office. Then he moved to Washington to serve as my legislative director and—on two separate occasions—as my chief of staff.

Dick Eaton lives in Georgetown with his wife Susan Henshaw Jones and their two delightful daughters, Alice and Liza. He is a partner in the New York law firm of Stroock & Stroock & Lavan, LLP. He was also a partner in Mudge Rose Guthrie Alexander & Ferdon. His practice has been varied, but includes work on some of the largest offerings of municipal securities in American history and appearances on behalf of clients in civil lawsuits in both State and Federal Courts.

I suppose I have always thought of Dick as a judge. Before he joined my staff he was—at the tender age of 26—the Village Justice of Cooperstown, New York. I know I have always benefited from his wise counsel with regard to matters large and small, professional and personal. I can tell you that he has the requisite qualities to make a fine judge: a respect for all points of view, extraordinarily good sense, an evenness of temperament, patience, intellectual agility, and absolute integrity.

Mr. President, Richard Eaton's greatest contribution to the administration of Justice may be that, since 1977, he has been the anchor of my committee that screens candidates for recommendation for Federal District Court and United States Attorney nominations. Dick now serves as chairman of the committee which—in our view at least—serves as a model for other States. Ours was the first such committee to proceed on a non-partisan basis. New York University Law School Professor Stephen Gillers put it this way:

In most places, lawyers who count, who want to be judges, become politically active. In New York, lawyers who want to be Federal trial judges complete a twelve-page questionnaire containing thirty-seven questions. An eleven-member panel screens applicants and recommends nominees. . . . Who have been Moynihan's nominees? . . . They are a first-rate group, as might be expected from the process that produced them.

No one deserves more credit for the committee's work than Dick. I know that a great number of Federal judges in New York can attest to the value of his counsel, so indispensable during the nomination and confirmation process, which often can be quite torturous. I daresay it is only fitting that Dick should himself join the Federal bench.

International trade litigation is a subject requiring intelligence and energy. The issues facing the Court of International Trade are hugely complex. As Congress prescribed in the Customs Court Act of 1980, the Court of International Trade has broadened its

powers and is now far more capable of providing uniformity in the judicial decision-making process for import transactions as required under Article I, section 8, of the Constitution. It will require the dedication and surpassing intellect of someone meeting Dick Eaton's high standard to see this job through. The President has shown great wisdom in proposing Dick for this Court.

It would be remiss of me not to thank the Majority and Minority Leaders for shepherding this nomination, and the Chairman and Ranking Member of the Judiciary Committee, Senators HATCH and LEAHY, for their generous support. We have confirmed a man of great talent and unwavering integrity who will distinguish himself on the bench as he has in every other endeavor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR MONDAY, OCTOBER 25, 1999

The PRESIDING OFFICER. Acting in my individual capacity as a Senator from Kansas, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 12 noon on Monday, October 25. I further ask unanimous consent that on Monday immediately following the

prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and notwithstanding the adjournment, the Senate then begin a period of morning business with Senators speaking for up to 5 minutes each, with the following exceptions: Senator DURBIN, or his designee, 12 to 1 p.m.; Senator THOMAS, or his designee, from 1 p.m. to 2 p.m.

Without objection, it is so ordered.

The PRESIDING OFFICER. I further ask unanimous consent that notwithstanding the adjournment, the Senate then resume consideration of the motion to proceed to H.R. 434, the African trade bill; and the CONGRESSIONAL RECORD remain open until the hour of 1:30 p.m. for the submission of statements and introduction of legislation.

Without objection, it is so ordered.

PROGRAM

The PRESIDING OFFICER. Acting in my individual capacity as a Senator from Kansas, for the information of all Senators, on Monday the Senate will be in a period of morning business from 12 noon until 2 p.m. Following morning business, the Senate will resume consideration of the motion to proceed to the African trade bill. The Senate will also consider numerous Executive Calendar items during Monday's session of the Senate.

As a reminder, cloture was filed on the motion to proceed to the African

trade bill today. Therefore, under the rule, that vote will occur 1 hour after the Senate convenes on Tuesday, unless another time is agreed to by the two leaders.

Appropriations conference reports will be considered throughout next week as they become available.

ADJOURNMENT UNTIL MONDAY, OCTOBER 25, 1999

The PRESIDING OFFICER. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:44 p.m., adjourned until Monday, October 25, 1999, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 22, 1999:

DEPARTMENT OF STATE

David B. Sandalow, of the District of Columbia, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Richard K. Eaton, of the District of Columbia, to be a Judge of the United States Court of International Trade.